

Council

You are hereby summoned to attend a Meeting of the **Council of the City and County of Swansea** to be held in the Multi-Location Meeting - Council Chamber, Guildhall / MS Teams on Wednesday, 6 March 2024 at 5.00 pm.

Watch Online: <http://tiny.cc/FCb6Feb>

The following business is proposed to be transacted:

1. **Apologies for Absence.**
2. **Disclosures of Personal and Prejudicial Interests.**
www.swansea.gov.uk/disclosuresofinterests
3. **Minutes.** 1 - 8
To approve & sign the Minutes of the previous meeting(s) as a correct record.
4. **Written Responses to Questions asked at the Last Ordinary Meeting of Council.** 9 - 11
5. **Announcements of the Presiding Member.**
6. **Announcements of the Leader of the Council.**
7. **Public Questions.**
Questions can be submitted in writing to Democratic Services democracy@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 within a 10 minute period.
8. **Medium Term Financial Planning 2025/26 – 2027/28.** 12 - 54
9. **Revenue Budget 2024/25.** 55 - 115
10. **Housing Revenue Account (HRA) Revenue Budget 2024/25.** 116 - 125
11. **Capital Budget & Programme 2023/24 - 2028/29.** 126 - 151
12. **Housing Revenue Account – Capital Budget & Programme 2023/24 – 2027/28.** 152 - 189

13. Statutory Resolution – Resolutions to be Made in Accordance with the Regulations in the Setting of the Council Tax 2024/25.	190 - 194
14. Treasury Management Strategy Statement, Prudential/Treasury Indicators, Investment Strategy and Minimum Revenue Provision Policy Statement 2024/25, Interim Year Treasury Management Review 2023/24 and Annual Report 2022/23.	195 - 259
15. Capital Strategy 2023/24 - 2028/29.	260 - 276
16. Naming Proposal.	277 - 290
17. Councillors' Questions.	291 - 301

Webcasting: This meeting may be filmed for live or subsequent broadcast via the Council's Internet Site. By participating you are consenting to be filmed and the possible use of those images and sound recordings for webcasting and / or training purposes.

You are welcome to speak Welsh in the meeting.
Please inform us by noon, two working days before the meeting.

Next Meeting: Thursday, 21 March 2024 at 5.00 pm



Huw Evans
Head of Democratic Services
Guildhall,
Swansea.

Tuesday, 27 February 2024

To: All Members of the Council

Agenda Item 3.



City and County of Swansea

Minutes of the Council

Multi-Location Meeting - Council Chamber, Guildhall / MS

Teams

Thursday, 25 January 2024 at 5.00 pm

Present: Councillor J P Curtice (Chair) Presided

Councillor(s)

C Anderson
M Baker
S Bennett
P N Bentu
P M Black
A Davis
A M Day
P Downing
C R Doyle
M Durke
C R Evans
C M J Evans
E W Fitzgerald
R Fogarty
R Francis-Davies
N Furlong
L S Gibbard
K M Griffiths
H J Gwilliam
T J Hennegan

Councillor(s)

C A Holley
P R Hood-Williams
B Hopkins
L James
O G James
Y V Jardine
A J Jeffery
D H Jenkins
J W Jones
L R Jones
M H Jones
M Jones
S M Jones
S Joy
S E Keeton
A S Lewis
M B Lewis
W G Lewis
M W Locke
P M Matthews

Councillor(s)

P N May
J D McGettrick
F D O'Brien
A J O'Connor
D Phillips
C L Philpott
J E Pritchard
S Pritchard
S J Rice
B J Rowlands
R V Smith
R C Stewart
L G Thomas
W G Thomas
M S Tribe
G D Walker
L V Walton
T M White
R A Williams

Officer(s)

Gareth Borsden	Democratic Services Officer
Huw Evans	Head of Democratic Services
Martin Nicholls	Chief Executive
Ben Smith	Director of Finance / Section 151 Officer
Debbie Smith	Deputy Chief Legal Officer

Apologies for Absence

Councillor(s): A Anthony, M Bailey, V M Evans, V A Holland, D H Hopkins, E J King, E T Kirchner, H Lawson, R D Lewis, P Lloyd and N L Matthews

79. Disclosures of Personal and Prejudicial Interests.

The Chief Legal Officer gave advice regarding the potential personal and prejudicial interests that Councillors and / Officers may have on the agenda.

The Head of Democratic Services reminded Councillors and Officers that the "Disclosures of Personal and Prejudicial Interests" sheet should only be completed if the Councillor / Officer had an interest to declare. Nil returns were not required. Councillors and Officers were also informed that any declarable interest must be made orally and in writing on the sheet.

In accordance with the provisions of the Code of Conduct adopted by the City and County of Swansea the following interests were declared.

- 1) Councillors P Downing & R A Fogarty declared a Personal & Prejudicial Interest in Minute 87 "Adoption of the Council Tax Reduction Scheme." and left prior to discussion.
- 2) Councillors D H Jenkins & P M Matthews declared a Personal Interest in Minute 87 "Adoption of the Council Tax Reduction Scheme."
- 3) Councillors C Anderson, M Baker & T J Hennegan declared a Personal & Prejudicial Interest in Minute 88 "Housing Revenue Account (HRA) Rent Setting 2024/25." And left prior to discussion.
- 4) Councillors A Davies, P Downing, N Furlong & T M White declared a Personal Interest in Minute 88 "Housing Revenue Account (HRA) Rent Setting 2024/25."

80. Minutes.

Resolved that the following Minutes be approved and signed as a correct record:

- 1) Ordinary Meeting of Council held on 7 December 2023.

81. Written Responses to Questions asked at the Last Ordinary Meeting of Council.

The Chief Legal Officer submitted an information report setting out the written responses to questions asked at the last Ordinary Meeting of Council.

82. Announcements of the Presiding Member.

i) Condolences

a) Former Councillor Nortridge Perrot

The Presiding Member referred with sadness to the recent death of former Councillor Nortridge Perrott. Nortridge represented the Uplands Ward on:

- Swansea City Council 1994-1996.
- City & County of Swansea 1995-1999.

All stood as a mark of sympathy & respect.

ii) New Year's Honours

The Presiding Member congratulated those Citizens of Swansea who received awards in the New Year Honours.

a) Member of the Order of the British Empire (MBE)

- i) Robert Terence Grey. Lately Boxing Gym Owner and Trainer, Gwent Amateur Boxing Club. For services to Amateur Boxing in Swansea.
- ii) Alfred Oluwafemi Oyekoya. Director, Black Asian Minority Ethnic Mental Health Support. For services to Minority Ethnic Communities in Wales.

b) British Empire Medal (BEM)

- i) Leslie John Want. For services to the community in Sketty and Swansea.

iii) Santes Dwynwen

The Presiding Member stated that It was Santes Dwynwen day today (25-01-2024), the Welsh and Celtic Patron saint of friendship and love. The popularity and celebration of St Dwynwen's day has increased considerably in recent years. Remember to tell your partner that you love them.

iv) Britain's Best Large Indoor Market 2024

The Presiding Member stated that the National Association of British Market Authorities had awarded Swansea Market the Britain's Best Large Indoor Market award. Swansea Market had previously won this award in 2015 & 2020.

v) Amendments / Corrections to the Council Summons

a) Urgent Item - Notice of Motion - Tata Steel

The Presiding Member stated that pursuant to paragraph 100B (4)(b) of the Local Government Act 1972, she considered that the "Notice of Motion – Tata Steel" should be considered at the meeting as a matter of urgency.

Reason for Urgency: Given that Tata Steel recently announced their intention to cut thousands of jobs this year which will have huge local and regional impacts, this is the only opportunity for this Council to consider and debate this Motion to put pressure on Tata Steel and Government.

83. Announcements of the Leader of the Council.

i) Tata Steel

The Leader of the Council referred to the recent Tata Steel announcement which will lead to approximately 2,800 job losses. He stated that all 22 Council

Leader's in Wales were working with the Welsh Local Government Association to lobby Tata Steel to reconsider the decision.

The impact of the proposal was devastating with a projected loss of £150m to the economy and potentially three times that for the associated supply chain elements.

84. Public Questions.

There were no Public Questions asked.

85. Corporate Parenting Pledges.

The Cabinet Member for Care Services submitted a report that outlined work completed with care experienced children and young people based in Swansea, regarding the Council's duty to be Corporate Parents. The report outlined the seven pledge areas related to children's rights that have been co-produced between Councillors and young people.

The Cabinet Member for Care Services welcomed several recipients of care to the meeting and Rose & Aaron were invited to address Council.

Resolved that:

- 1) The report and attached pledges be approved.

86. Progress Report on Swansea Councils Children & Young People's Rights Scheme 2021 – 2023.

The Cabinet Member for Community submitted a report that outlined the progress made regarding implementation of a whole Council approach to the refreshed Children & Young People's Rights Scheme.

Resolved that:

- 1) The 2021/2023 progress report on the implementation of a whole Council approach to the refreshed Children's Rights Scheme be approved.
- 2) Permission be granted to amend the reporting cycle to five years in line with Welsh Government. Work will be on-going throughout this period with progress reports produced mid-term and at the end of the cycle.
- 3) The Children's Rights Scheme 2021 be amended to reflect the revised reporting cycle.

87. Adoption of the Council Tax Reduction Scheme.

The Section 151 Officer submitted a report that outlined the requirement to annually consider whether to revise or replace the Council's existing Council Tax Reduction Scheme and the requirement to either adopt a new scheme or re-adopt the existing

scheme by 31 January 2024. It also recommended the re-adoption of the current scheme as set out in Section 3 of the report for the period 2024/2025.

Resolved that:

- 1) The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (the "Prescribed Requirements Regulations") by the National Assembly for Wales (Now Senedd Cymru) on 26 November 2013, as amended, be noted.
- 2) The amendments to the "Prescribed Requirements Regulations" contained in The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Amendment) (Wales) Regulations 2024, considered by Senedd Cymru on 16 January 2024 be noted.
- 3) The outcome of the consultation exercise undertaken by the Council in November 2023 on the discretionary areas of the current scheme be noted.
- 4) The discretionary areas of the current scheme (2023/2024) (as set out in Section 3 of the report) remain unchanged for the period 2024/2025.
- 5) The Council adopts the scheme as set out in Section 3 of the report, to include any mandatory amendments which may be necessary as a result of The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2024.

88. Housing Revenue Account (HRA) Rent Setting 2024/25.

The Cabinet Member for Service Transformation submitted a report that proposes an increase in rents and fees and charges for properties within the HRA for 2024/2025.

Resolved that:

- 1) Rents be increased in line with the Welsh Government policy as detailed in Section 3.1 of the report.
- 2) Fees, charges, and allowances be approved as outlined in Section 3.2 of the report.

Note:

- 1) Councillor C A Holley stated that he agreed that Swansea Council should not be charging for a Service Charge; however he would like an explanation of what Registered Social Landlords (RSL's) do in relation to Service Charges.

The Cabinet Member for Service Transformation stated that a written response would be provided.

- 2) Councillor P M Black asked if there was a service charge in place for the Warden Service?

The Cabinet Member for Service Transformation stated that a written response would be provided.

89. Review of Polling Districts, Polling Places and Polling Stations.

The Returning Officer submitted a report that seek approval for the proposed changes to Polling Districts, Polling Places & Polling Stations and to agree further investigation into the possible movement of several polling station venues.

Resolved that:

- 1) The consultation responses received in relation to the Review of Polling Districts and Polling Places which are summarised at Appendix 2 of the report be noted.
- 2) The final proposals to the Polling Districts and Polling Places as outlined in Appendix 3 of the report be approved.
- 3) The Returning Officer continue to monitor Polling Districts, Polling Places and Polling Stations where no suitable alternative venue is available at the present time.

90. Amendments to the Council Constitution - Constitution Working Group - Terms of Reference.

The Presiding Member, Monitoring Officer and Head of Democratic Services jointly submitted a report that informed Council of amendments to simplify, improve and / or add to the Council Constitution.

The amendments related to a recommendation of the Constitution Working Group to amend its Terms of Reference.

Resolved that:

- 1) The Terms of Reference of the Constitution Working Group be amended to include:

“e) *To consider any issue that requires cross Political Group discussion*”.

91. Adoption of the Naming Policy.

The Cabinet Member for Corporate Services & Performance submitted a report that recommended the adoption of a Naming Policy.

Resolved that:

- 1) The Naming Policy be adopted.

92. Councillors' Questions.

1) Part A 'Supplementary Questions'

Eight (8) Part A 'Supplementary Questions' were submitted. The relevant Cabinet Member(s) responded by way of written answers contained in the Council Summons.

Those supplementary questions required a written response are listed below.

Question 3

Councillor S J Rice asked "What is the breakdown between what the Council had spent on the Arena and what had come from external funding?"

The Leader of the Council stated that this information had been previously published as part of the Swansea Bay City Region; however, he would provide a written response.

Question 8

Councillor S Bennett asked "What action was being taken to remove plastics from River Tawe prior to high tides taking them into the sea?"

The Leader of the Council stated that a written response would be provided.

2) Part B 'Questions not requiring Supplementary Questions'

Twelve (12) Part B 'Questions not requiring Supplementary Questions' were submitted.

93. Urgent Item - Notice of Motion - Tata Steel

The Presiding Member stated that pursuant to paragraph 100B (4)(b) of the Local Government Act 1972, she considered that the "Notice of Motion from Councillors R C Stewart, D H Hopkins, A S Lewis, C Anderson, A Anthony, R Francis-Davies, L S Gibbard, H J Gwilliam, E J King, R V Smith, A H Stevens, C A Holley, W G Lewis, M B Lewis, L V Walton & N L Matthews in relation to Tata Steel should be considered at the meeting as a matter of urgency.

Reason for Urgency: Given that Tata Steel recently announced their intention to cut thousands of jobs this year which will have huge local and regional impacts, this is the only opportunity for this Council to consider and debate this Motion to put pressure on Tata Steel and Government.

94. Notice of Motion - Tata Steel

Proposed by Councillor R C Stewart and Seconded by Councillor C A Holley.
"This Council is deeply concerned following the announcement by Tata and the UK Government to cease virgin steel production at Port Talbot with the closure of both blast furnaces and the loss of some 2,500 jobs.

The loss of 2,500 jobs will mean an annual direct loss of over £100m to the local economy and the loss of over £300m annually, when associated jobs and the supply chain impacts are included.

Leaders across Wales have already expressed their anger at this announcement.

Steel making in the UK is viewed as a strategic industry and part of the UK's critical national capability.

Closure of virgin steel-making capacity in the UK in this way, with a gap of several years and considerable uncertainty over investment in alternative electric arc technology, will leave the UK exposed and increasingly reliant on imported steel.

This will repeat the mistakes made in the energy market by leaving the UK the subject of market forces and reliant on foreign powers for its steel supply.

Whilst we fully support the need to decarbonise the economy and steel making, we are strongly of the view that there must be a managed transition towards low and zero carbon.

Tata's proposal will result in large scale direct job losses and far greater numbers of indirect job losses in associated service and supply companies. For the communities involved this will be disastrous. We have seen the impact of major industrial closures in Wales before and many of our communities have never fully recovered from the impact such events have on people's lives.

There is huge potential for new, green industry in Wales, especially associated with developments in the renewable and low carbon energy industry, currently being funded and delivered by the City Deal, that can help us transition to more sustainable ways of living and working.

Retaining one of the blast furnaces would avoid a situation from which there is no return. It would sustain more jobs whilst allowing more time for adjustments in the labour market and exploration of other technologies that may enable virgin steel production to be retained in Wales and the UK.

This council asks that the Leader as Chair of the City Region write to the UK Government and Tata to demand that the UK Government work with the Welsh Government, Tata, and the Unions to explore all opportunities to protect the UK steel making capability and protect jobs in the steel industry.

We ask that a fully representative regional task force be established to examine all the options to protect jobs and steel making opportunities."

Resolved that the Notice of Motion outlined above be adopted.

The meeting ended at 7.10 pm

Chair

Agenda Item 4.



Report of the Chief Legal Officer

Council – 6 March 2024

Written Responses to Questions asked at the Last Ordinary Meeting of Council

The report provides an update on the responses to Questions asked during the Meeting of Council held on 25 January 2024.

For Information

1. Introduction

- 1.1 It was agreed at Council on 8 April 2010 that a standing item be added to the Council Summons entitled “Written Responses to Questions Asked at the Last Ordinary Meeting of Council”.
- 1.2 A “For Information” report will be compiled by the Democratic Services Team collating all written responses from the last Ordinary Meeting of Council and placed in the Agenda Pack;
- 1.3 Any consequential amendments be made to the Council Constitution.

2. Responses

- 2.1 Responses to questions asked during the last ordinary meeting of Council are included as Appendix A.

Background Papers: None

Appendices: Appendix A (Questions & Responses)

**Providing Council with Written Responses to Questions asked at Council
25 January 2024**

1	<p>Councillor C A Holley</p> <p>In relation to Minute 88 – Housing Revenue Account (HRA) Rent Setting 2024/25</p> <p>Stated that he agreed that Swansea Council should not be charging for a Service Charge; however he would like an explanation of what Registered Social Landlords (RSL's) do in relation to Service Charges.</p> <p>Response of the Cabinet Member for Service Transformation</p> <p>The Welsh Governments Rents Policy requires social housing providers to charge a separate charge for the services that they provide which are over and above those covered by the general rent charge. The types of services charged for varies from provider to provider.</p>
2	<p>Councillor P M Black</p> <p>In relation to Minute 88 – Housing Revenue Account (HRA) Rent Setting 2024/25</p> <p>Asked if there was a service charge in lace for the Warden Service.</p> <p>Response of the Cabinet Member for Service Transformation</p> <p>Yes, a separate service charge is charged to all tenants living in Independent Living (sheltered) accommodation for the warden service. The current charge is £14.26 a week which will increase to £15.12 a week in 2024/25. This charge is eligible for Housing Benefit.</p>
3	<p>Councillor S J Rice</p> <p>In relation to Minute 92 – Councillors Questions (Q3)</p> <p>What is the breakdown between what the Council had spent on the Arena and what had come from external funding.</p> <p>Response of the Leader</p> <p>The Council will spend £46,170,544 on the Arena and will receive £17,779,460 in funding from City Deal. Therefore, the Council will contribute £28,391,084.</p>
4	<p>Councillor S Bennett</p> <p>In relation to Minute 92 – Councillors Questions (Q8)</p> <p>What action was being taken to remove plastics from River Tawe prior to high tides taking them into the sea.</p> <p>Response of the Cabinet Member for Corporate Services & Performance</p>

Swansea Council's Marina employs a cleaner on a part time basis. In addition to building cleaning duties, they also cleanse the Marina waters and the impounded waters of the River Tawe when needed. The Cleaner dedicates about 25% of their working time to cleansing the Marina and impounded waters. The waters are cleansed using a small workboat and any debris is collected by hand using a rake and is placed into large bins for separation into various waste streams, including plastics, before disposal.

The River Tawe is a mixed bag in terms of responsibilities. Swansea Council is responsible for the impounded waters immediately above the Tawe Barrage, and the waters upstream of this are the responsibility of Natural Resources Wales. Rubbish accumulations tend to occur during periods of bad weather combined with higher than normal river levels due to either rainfall or tidal overtopping of the Barrage. The higher than normal water level causes debris lying on the river banks to become waterborne, and the natural flow of the river and the fact the Barrage is a choke point means that the debris accumulates in the impounded waters immediately above the Barrage. The final position of the accumulations is then determined primarily by wind direction. It should perhaps be noted that the majority of debris is likely to enter the water somewhere in the miles and miles of upstream river that is not under Swansea Council control.

Unfortunately the nature and position of the Barrage means that the vast majority of debris gets stuck in this location.

Agenda Item 8.



Report of the Section 151 Officer

Council - 6 March 2024

Medium Term Financial Planning 2025/26 - 2027/28

Purpose:	This Report sets out the rationale and purpose of the Medium Term Financial Plan and details the major funding assumptions for the period and proposes a strategy to maintain a balanced budget.
Policy Framework:	Medium Term Financial Plan and Budget Strategy
Consultation:	Legal, Access to Services, Cabinet Members and Corporate Management Team
Recommendations:	It is recommended that: 1) The Medium Term Financial Plan 2025/26 to 2027/28 be approved as the basis for future service financial planning.
Report Authors:	Ben Smith/Sarah Willis
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction and Background

- 1.1. Service and financial planning continues to be undertaken against a backcloth of increasing service pressures and demand. Again this year there is added pressure and uncertainty as we deal with a cost of living crisis and uncertain inflation levels. This has affected short-term planning and is expected to continue impact the budget in the medium term.
- 1.2. The Medium Term Financial Plan (MTFP) is an overarching strategy that:
- Covers three future years.
 - Forecasts future known additional spending requirements, likely resources and potential funding shortfalls.
 - Links to the Council's adopted transformation programme '**Transformation Strategy 2022-2027 and Beyond – Successful and Sustainable Swansea**' as a means of addressing future budget shortfalls.

- Links to the Council's revised Corporate Plan, "Delivering a Successful and Sustainable Swansea" and the delivery of our top 6 priorities.
- Has due regard to our duties under the Well-being of Future Generations Act 2015.

Future detailed Service planning will need to be undertaken within the financial assessments and forecasts contained within the Medium term Financial Plan.

- 1.3. **It is important to understand that the MTFP does not constitute a formal budget in respect of the period 2025/26 to 2027/28 and as such the indicative annual assumptions included both within the projected spending pressures detailed in Sections 2 and 3 of this report, and the potential funding detailed in Sections 4 and 5, will be subject to a full review and decision making process as part of each of the annual Revenue Budget and Council Tax setting decisions.**
- 1.4. Instead, the MTFP is intended to outline, in broad terms, the specific service and funding issues over the three-year period and how the Council will, within its financial constraints, fund its priorities and achieve major service change and savings.
- 1.5. It is essential as a planning and review tool in order to assess, on an ongoing basis, base assumptions around service pressures and progress against delivery of savings.
- 1.6. The plan serves to highlight the trend for increasingly uncertain times ahead in terms of funding for this Council and Local Government in general, as well as the service pressures that the Council faces from rising demands and increases in demography, together with potential funding pressures arising from ambitious plans for capital development.
- 1.7. Importantly, it is essential that the MTFP is a 'living' document that is subject to regular review and revisions as more information becomes available and risks are updated. As such, it is anticipated that, along with close monitoring of the specific budget proposals and savings targets for 2024/25, further reports to Cabinet regarding the MTFP will be made as necessary. In particular, the Mid Term Budget Statement in the autumn of 2024 will provide a key update on the financial outlook and delivery of savings.
- 1.8. The MTFP is one of many documents that are produced in terms of financial planning and control. These include:
 - The annual Revenue and Capital Budgets of the Authority,
 - The annual HRA Capital and Revenue Budgets,
 - The formal quarterly budget monitoring reports presented to Cabinet,
 - The Mid-term Budget Statement intended to be produced each year as an aid to strategic review on progress,
 - The Revenue and Capital Outturn Statements taken to Cabinet following year end,

- The Statement of Accounts produced and approved by Council annually.
- 1.9. The MTFP is intended to form a logical flow from an assessment of forecast resources over the medium term through each step of a structured planning process for future years and as such it specifically details:
- | | |
|-----------|---|
| Section 2 | Overview of financial planning environment 2025/26 – 2027/28. |
| Section 3 | Detailed spending and resources forecast 2025/26 – 2027/28. |
| Section 4 | Strategy to address future savings requirements. |
| Section 5 | A summary of the Medium Term Financial Plan and the Transformation Strategy 2022-2027 and Beyond. |
| Section 6 | Medium Term Financial planning for Schools. |
| Section 7 | Risks and issues implicit within the MTFP. |
| Section 8 | Use of reserves. |
| Section 9 | Legal and Equalities implications. |

2. Overview of Financial Planning Environment 2025/26 to 2027/28

- 2.1. The Medium Term Financial Plan (MTFP) report considered by Council on 2nd March 2023 included a service and financial overview. This was updated in the budget proposals report given to Cabinet in January 2024 and in the budget report presented in February 2024.

Economic Outlook and Prospects for Public Finances

- 2.2. The announcement of the provisional Revenue and Capital Settlement for 2024/25 resulted in an overall cash increase of £15.308m in 2024/25 compared to 2023/24. There have been no transfers into the settlement so far, although there has been an adjustment to the Aggregate External Finance Base, which has resulted in a reduction to the Settlement of £0.695m for Swansea. Whilst this is a welcome increase, it needs to be set in the context of the forecast cost of pressures faced by this Council – around £50m for 2024/25 alone. The Welsh Government have announced an expected change to the final AEF as a direct result of the UK Government increasing funding for local authorities in England. The amount expected by the Welsh Government, via the Barnett consequential, will be split between the Social Care Workforce grant and local authorities Revenue Support Grant. The exact figure will be unknown until the final settlement, however it is not expected to be significant enough to affect the MTFP as presented.
- 2.3. The current economic climate continues to be uncertain, even more so at the moment, and the Welsh Government acknowledged in their letter to all Local Authorities that local government is facing significant pressures and difficult decisions. There is and will continue to be uncertainty over the UK's relationship with Europe and the impact on Wales post Brexit as well as the on-going impact of the COVID-19 pandemic. The Section 151 Officer stated last year that the expectation is that the Welsh Government budget will be expected to reduce in real terms over the period of the MTFP, this prediction is becoming true as, notwithstanding the fact that the settlement is an

increase in 2024/25 it is indeed a real-terms reduction, given the prevailing rates of inflation.

- 2.4. Of course, the level of Welsh Government devolved Block Grant is not the only determinant of Welsh Government support for Local Authorities. It is possible that further delegation and transfer of powers and rights from Westminster to Cardiff, together with further tax changing/raising powers, may impose greater or lesser financial risks to Welsh Government than is currently the case. There is also the fact that Welsh Government has to decide on its own cross-sectoral allocation of devolved funding to public services in Wales.
- 2.5. Whilst it is a positive provisional settlement for 2024/25, there is no certainty that it can continue at such a relatively high level in future years and, in addition to possible real terms reductions in future core funding, the Council also has a wide range of service and demographic pressures which will inevitably impact on demand for services. Equally clearly, there is a potential for further UK Government announcements to impact on costs borne by the Council, particularly in respect of any changes to taxation. The clear example is of the changes to the National Living Wage, which will add around £4.2m to the Council's annual costs.
- 2.6. As mentioned above, a further complicating factor over the period of the MTFP involves potential changes to devolved tax varying and raising powers from Westminster to the Welsh Government including a fundamental review of council tax, divergence in Non Domestic Rates and reliefs and future potential tourism levies. Whilst this notionally impacts primarily on individual taxation, change has the potential to impact directly on Local Authority budgets and risk.
- 2.7. In terms of core revenue funding, the provisional Revenue settlement issued by the Welsh Government in December 2023 gave a detailed settlement level for 2024/25 only, with no further information for future years. Whilst only indicative, the three-year settlement indication previously given has nevertheless been a very welcome tool to assist future forecasting by Authorities. As we are now at the end of the previous three-year settlement, forecasts for future years are even more uncertain and of a high-risk nature.
- 2.8. All this, of course, has to be set against a backdrop of significant global instability where events can impact significantly – and at short notice – on the UK economy and the overall UK economic outlook.
- 2.9. For the purposes of the planning assumptions, although future year indications are very helpful, they are only indications at an all Wales level. Swansea's actual increase could be higher or lower than the headline increase and as such it is good practice to forecast a range of potential funding scenarios, each of which will result in differing financial forecast for the Council over the period covered. The forecasts will be updated using the mid-term budget statement to Council each year to reflect the best information available on a rolling basis. For the purposes of the MTFP, forecasts will be

based around a range of scenarios between cash flat (0%), an increase of 2% and an increase of 4%.

- 2.10. These are scenarios to demonstrate the range of possibilities and are entirely contingent upon UK and Welsh Government future budget decisions.

Year	AEF Standstill @ 0% £'000	AEF Increase @ 2% £'000	AEF Increase @ 4% £'000
2024/25	0	8,700	17,300
2025/26	0	8,900	18,000
2026/27	0	9,100	18,800
Cumulative	0	26,700	54,100

Note that the above scenarios are based on the provisional AEF for 2024/25 of £433.590m as announced in December 2023.

The above represents a spread in terms of potential overall increases over the life of the MTFP, which will have to be updated on a regular basis.

The compounding effect of this key assumption is substantial over the life of the MTFP – the savings ask could be considerably higher if the actual increase is less than the range used as a planning assumption or considerably less if the settlements are more than assumed.

- 2.11. During the timescale of the MTFP there are a significant number of events which could impact on some of the major assumptions made. These include:
- Any voluntary or joint arrangements, including regionalisation, in lieu of compulsory Local Government reorganisation in Wales,
 - Wider events that could impact on the Global economic position,

Support for Capital Programmes

- 2.12. Following a highly unusual revision to the original provisional settlement issued by the Welsh Government, the indicated support for future General Fund Capital programme is £12.943 for 2024/25, an increase of £0.061m compared to 2023/24, which is still only just sufficient to meet the current budget allocations to cover core commitments.

This settlement support is through a mix of General Capital Grant and support for borrowing. Wider capital support elsewhere is however very significant and must be equally recognised.

Planning assumptions over the life of the MTFP are based on unchanged levels of capital support, in the absence of any further indications from the Welsh Government.

As reported elsewhere on this agenda, in the Capital Budget & Programme 2023/24 – 2028/29 Report, there is an ambitious capital investment programme. This includes the continued investment in Swansea Schools, through the Band B phase of the 21st Century Schools Programme (now called the Sustainable Communities for Learning Programme) and major capital schemes flowing from the Swansea Bay City Deal including Swansea Central and wider regeneration.

The capital investment identified above will continue to attract significant grant funding (21st Century Schools and Swansea Bay City Deal), however the programme will still require material unsupported borrowing to enable completion.

- 2.13. Cabinet endorsed an uplift to the Sustainable Communities for Learning Programme envelope to £176m (from £149.5m) in September 2023, with a switch to wholly capital funding instead of using the Mutual Investment Model as previously agreed. The Band B Schools programme finishes on 31st March 2024 and, as detailed in a separate report to Cabinet on 15th February, the Council is now required to submit a Strategic Outline Programme to the Welsh Government by 31st March for the next phase.
- 2.14. The capital financing strategy underpinning the capital budget seeks to maximise grants, supported borrowing, contributions and capital receipts in order to minimise the need to borrow. The borrowing requirement identified to support the capital programme is significant and shall require substantial revenue support to service. The revenue implications are reported in the Revenue Budget elsewhere on this agenda. The revenue implications are considered affordable and sustainable over the cycle of the programme.
- 2.15. As indicated above, the position remains that should such capital receipts not materialise the Council will have no option but to consider reductions in spend, seek alternative sources of funding or, as a last resort, consider additional borrowing which shall place a further burden on revenue finances.
- 2.16. In the recent past, the Council has sought to minimise its external borrowing by the use of internal funds, which is entirely consistent with good Treasury Management policy given historic low interest rates on investments and avoiding the 'cost of carry', which has served this Authority well. Sustained internalisation of borrowing requirement and the significant funding required for the capital programme from 2021/22 onwards and the planned medium-term depletion of earmarked Reserves and Provisions means that externalisation of this funding became inevitable. This strategy has proved particularly beneficial to the Council's capital funding strategy as it took advantage of volatility in PWLB rates prevailing and undertook the required PWLB borrowing in 2021/22 at all-time low rates achieved by this Authority, therefore removing interest rate risk for the short to medium term.

- 2.17. It remains the case that each year the Council sets aside a significant amount of money (c £18m 2022/23) called the Minimum Revenue Provision (MRP) towards the repayment of debt. This provision is in line with the Council's existing MRP Policy, which was revised in 2018/19. This effective repayment will have to be taken into account when evaluating overall borrowing levels and the ability to service any additional borrowing requirement.
- 2.18. The additional capital investment identified above will attract significant grant funding (especially 21st Century Schools/Sustainable Communities for Learning and Swansea City Region Deal and follow on regeneration), however the programme will still require a material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore, some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.
- 2.19. Notwithstanding this scale of ambition, each major scheme will, as always, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate. Unsupported borrowing will be undertaken on a phased basis within the overall envelope for affordability.

3. Detailed Spending and Resources Forecast 2025/26 to 2027/28

- 3.1. The Capital Budget report forecasts capital spending and resources in the period covered by the MTFP.
- 3.2. In terms of the Revenue Budget, and in the context of financial planning over the period of the MTFP, the overriding issue is likely to be the need to make significant ongoing savings in Service Expenditure in order to meet known and anticipated spending pressures.
- 3.3. The following table represents the expected funding requirements (based on current policies and decisions) for the period of the MTFP – **these are pressures and must be read in conjunction with the funding plans and indicative solutions set out in 5.4:**

Projected Spending Pressures/Funding Deficiency 2024/25 – 2027/28

	Note	2025/26	2026/27	2027/28
		£'000	£'000	£'000
Future cost of pay awards	1			
- Non Teachers		5,947	12,059	18,159
- Teachers		6,000	10,800	15,700
National Living Wage – pay bill	2	1,200	2,400	3,600
National Living Wage – contracts		4,400	9,400	14,400
Increase in Pension Costs	3	0	1,400	2,800

Teachers Pension Costs	4	0	0	0
Change to Inflation Provision	5	4,097	6,608	6,258
Capital charges	6	2,040	4,040	5,040
Use of Capital Equalisation Reserve	6	1,000	1,000	-4,000
Remove 2024/25 one-off temporary funding for Schools	7	-7,029	-7,029	-7,029
Remove 2024/25 one-off use of reserves for Schools	7	7,029	7,029	7,029
Add to/Reduce Contingency	8	249	-22	-469
Demographic and Service pressures	9	3,000	6,000	9,000
Mid and West Wales Fire authority Levy (independently decided by the Fire Authority)	10	1,000	2,000	3,000
Other Levies (Swansea Bay Port Health Authority and the Corporate Joint Committee)	10	11	22	33
Council Tax Support Scheme	11	1,500	3,100	4,700
Rebase ICT Cloud costs	12	400	400	400
Social Care extra money for Adults Services	13	2,500	2,500	2,500
Agreed Service Pressures	14	1,330	1,680	3,300
Total known pressures / investment into services		34,674	63,387	84,421
Total Savings Requirement	15	-17,694	-28,523	-30,874
Net Funding Requirement		16,980	34,864	53,547
Aggregate External Finance Increase @ 2% per annum	16	8,880	17,964	27,247
Council Tax Assumption at 5% (see Section 4)	17	8,100	16,900	26,300
Total Resource Investment		16,980	34,864	53,547

Alternative scenarios at differing levels of Welsh Government Support – if AEF turns out to be higher or lower than the planning assumption:

Additional Money Available for Investment if 4% AEF (i.e. continues at similar level to current year increase)		8,500	17,500	26,900
OR				
Additional Savings needed if 0% AEF		-8,880	-17,964	-27,247

Notes:

1. The pay award figures represent a forecast increase of 2.5% for all staff, over the life of the MTFP.

2. *Assumed increases due to implementation of National Living Wage - will affect contract prices and lower end of own pay scale.*
 3. *The latest forecast from the triennial revaluation of the local government pension scheme effective from 1st April 2023 indicated a short-term reduction to the contributions made, which is expected to end in 2026/27 where the contributions are budgeted to begin to increase once more.*
 4. *There will be a national 5% increase in Teachers Pension costs from 2024/25. It is expected that the funding for this cost will flow from the UK Government to the Welsh Government as a Barnett consequential and then to Schools post spring 2024. This money will be passported directly to Schools when it arrives. The amount is likely to be £5-6m for Swansea alone and could still arrive as block grant (our previous planning assumption) and added to cash limits or specific grant (shown net). It remains in the table above, unusually, even at zero for now as it will be material sum once quantum and funding mechanism confirmed.*
 5. *Reflects the assumed minimum cumulative effect of contract inflation.*
 6. *The additional estimated borrowing costs arising from the new and regional capital programme. Cabinet have prudently built-up earmarked reserves to reduce the impact of increased capital charges in respect of new schemes, and targeted use of these reserves is now being built into the MTFP.*
 7. *The removal of temporary one-off funding from schools (and subsequent draw from reserves).*
 8. *A small sum to be added to the contingency to allow for changes to (for example) the estimates on levies. Contingency will be reduced over the latter years of the MTFP reflecting the assumption that current economic turbulence will reduce over time.*
 9. *Assumed Demographic and Service pressures mainly around Adult and Children's Services.*
 10. *Estimated increases for Fire Authority Levy and Corporate Joint Committee Levy.*
 11. *Reflects the assumed cost of Council Tax Support Scheme costs based on Council Tax increases as a planning assumption only at this stage.*
 12. *To rebase permanently some demand led pressures in Corporate Services predominantly around ICT cloud provision.*
 13. *Following the introduction of the new Social Care Levy additional funding for social care has been allocated.*
 14. *The future year impact of service specific pressures agreed as part of the suite of 2024/25 budget reports.*
 15. *The future year impact of service specific savings agreed as part of the suite of 2024/25 budget reports.*
 16. *Estimated increase in AEF at 2% per annum.*
 17. *Reflects the Council Tax assumption of 5% as detailed in Section 4.*
- 3.4. As stated, this forecast contains limited provision for increases in net service costs, in particular there is no provision for:
- Any increase in costs arising from decisions on Government taxation – most significantly increases arising from landfill tax costs.
 - Corporate costs in excess of budget provision in respect of issues relating to higher than assumed employee costs (higher than 2.5% per annum pay awards), or bigger movements in minimum statutory

wage.

- Any one-off costs arising from changes to service delivery across the Council, including transformational change.
- Any general inflation provision relating to non-contractual issues.
- Any increased costs or reductions in income arising from changes to welfare reform the lifetime of the MTFP.
- Any budget changes arising from further regionalisation of any services.
- Any increases in Capital financing charges beyond those allowed for which is dependent on the Council achieving a level of capital receipts as detailed within the Capital budget submitted for approval elsewhere on this agenda and is wholly dependent on decisions around potential externalising of internal borrowing.
- Future funding decisions in respect of protection for Social Services or Delegated Schools' budgets which may be specified by the Welsh Government in future budget settlements.
- Any potential downward movement in service specific grants, some of which we have experienced at short notice in the past.
- Any ongoing increase on non-funded schemes including the Teachers' Pension Scheme at a future date.

3.5. The Local Government and Elections (Wales) Act 2021 is now in force and there is likely to be financial implications associated with implementation of certain duties under the Act.

4. Strategy to Address Future Savings Requirements

- 4.1. The scale of the financial, demographic and sustainability challenge required the Council to continue to adopt a radically different approach to previous years. An approach that focused on:
- *The core future purpose of the Council*
 - *The transformation of services and the model of delivery*
 - *Greater collaboration with other councils and local organisations, community groups and residents*
 - *And, above all, sustainable solutions with prevention at its heart.*

This ambition was set out in *Sustainable Swansea – fit for the future*, our long-term plan for change, underpinned by our Innovation Programme.

- 4.2. The Sustainable Swansea Strategy was agreed by Cabinet and reported to Council in October 2013 and over the course of the next ten years was refreshed, updated and built upon, to keep pace with the new challenges facing the Council.
- 4.3. In April 2023 there was a further report to Cabinet – *Successful and Sustainable Swansea Corporate Transformation Plan* – this corporate plan is the next phase in the council's transformation journey and is structured under the six corporate priorities contained in the council's corporate plan.

- 4.4. The focus of this plan is the achievement of the council’s vision, through the delivery of the most significant change programmes. Twelve programmes have been identified and the savings identified as part of the MTFP have been aligned with these programmes where applicable, whilst recognising that many savings do not involve transformation and as such are identified as ‘business as usual’ and sit outside the transformation programme.
- 4.5. These savings will evolve and change along with the programmes, but the initial allocation shows the following expectation against each programme in the transformation plan:

Transformation Programme	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Child and Family Services Transformation	150	150	150
Digital Transformation Programme	39	352	352
Future Community Hub Model	420	420	420
Future Waste Strategy	505	1,060	1,160
Net Zero 2030 Programme	300	300	300
Regeneration Programme	25	99	99
Transforming Adult Services	2,733	6,623	7,073
Transforming Additional Learning Needs	790	965	1,240
Right Schools in Right Places	10	20	30
More Homes Programme and Right Schools in Right Places	696	705	786
Business as Usual	4,606	8,158	9,545
Total Savings Requirement (excluding Schools)	10,274	18,852	21,155

Our Service Priorities for 2024/25 and the MTFP Period

- 4.6. Although the Council is currently focused on a plan to save an additional £40m over the period of the MTFP (since revised as per the January 2024 Budget Proposals report to Cabinet), it is vital to continue to retain Member and management focus on the significant proportion of our budget that remains. Our gross budget is over £870m (excluding Housing Services (HRA)) and we spend just under £2.1m a day on services to residents.
- 4.7. The Council has clear and strong long-term ambitions for Swansea and the proposals for savings must be seen in the context of the following:
- The Council’s top 6 priorities and corporate plan for services to help deliver the well-being of future generations,
 - The application of the budget principles – which guides decision making,
 - The ongoing and sustained real terms reduction in external funding and the need to meet known budget pressures.
 - All set within the context of the current cost of living crisis.

- 4.8. The Council’s overall aim is to protect frontline delivery of services as far as possible. However, whilst many things are important, not everything can be a priority. It is important, therefore - particularly in the current climate of significantly stretched real term resources - to set out clearly our expectations on all services and relative priorities for funding in the context of the budget reductions that we face.
- 4.9. This requirement is illustrated sharply by the “gearing” effect of savings on services. In other words, if our current savings requirement (excluding schools) over three years was applied, for example, just to Place Services, the budget for this area would be severely reduced. Consequently, other areas such as Education and Social Care also need to face some relative real terms level of reduction over the next 3 years, given the relative size of their budgets. Equally, however, if the level of funding for 2024/25 were to be sustained in every future year, then these planning assumptions could be very fundamentally reshaped, and savings asks reduced or possibly even eliminated.
- 4.10. A statement of budget priorities and policy statements that flow from this is set out in **Appendix A**. This statement follows an assessment of services in relation to the following criteria:
- **Invest:** Services where the Council will increase levels of investment
 - **Maintain:** services where the Council will broadly maintain current level of spend in the medium term
 - **Remodel:** those services where the Council will reduce the current level of spend over the medium term.

Regardless of relative funding levels, there is also an absolute requirement that **all services** must transform and strive for maximum efficiency.

Potential Funding 2025/26 to 2027/28

- 4.11. The Revenue Budget report detailed elsewhere on this agenda identifies possible savings for the 2024/25 financial year. Some of these proposals will generate further savings in future years and so will contribute to the future years’ savings requirement.
- 4.12. In addition, there are a number of service specific savings proposals that are being considered – it should be noted that these have not yet gone out to consultation, but will do so at the appropriate time.
- 4.13. These are detailed in Appendix B, but are shown in summary below:

	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Future Year Impact of current (2024/25) proposals:			
Corporate Services Total	78	113	118
Education Total	775	980	1,285

Finance Total	247	1,297	1,597
Place Total	1,150	1,636	1,717
Social Services Total	550	3,085	3,085
	2,800	7,111	7,802
Future Proposals to be Considered:			
Corporate Services Total	522	1,112	1,258
Education Total	975	1,255	1,545
Finance Total	93	93	93
Place Total	3,501	5,358	6,084
Social Services Total	2,383	3,923	4,373
	7,474	11,741	13,353
Sub-total of Service Specific Savings (as per Appendix B)	10,274	18,852	21,155
Schools*	7,420	9,671	9,719
Total Savings	17,694	28,523	30,874

*Schools savings and pressures fall entirely to the delegated budgets and are shown separately as these are decisions for schools to take

- 4.14. In addition to savings proposals, Council Tax levels must be considered as part of the MTFP. Budgeted gross council tax yield for Swansea for 2023/24 is £141,670,000, which we have rounded to £142 million. This remains the gross yield on Council Tax, and it must be borne in mind that any Council Tax increases results in a corresponding increase in the local cost of the Council Tax Support Scheme, (which has been taken account of in the spending pressures above). The Council Tax Base has been assumed to increase for 2024/25.
- 4.15. Policy decisions on the level of Council Tax will of course remain a matter for full Council to determine on an annual basis and it is always relatively challenging to set out a published range of Council Tax options years in advance. Therefore, what follows can only be an indicative assumption to give a plausible range of planning scenarios, to aid the overall understanding of the financial plan.

It should be noted that lower tax increases in earlier years will (all other things being equal) result in higher increases in later years, and as the outlook is for lower settlements in future, persistent, high inflation and an immediate cost of living crisis, the timing of any rises must be weighted, and due regard given to the Well Being of Future Generations Act.

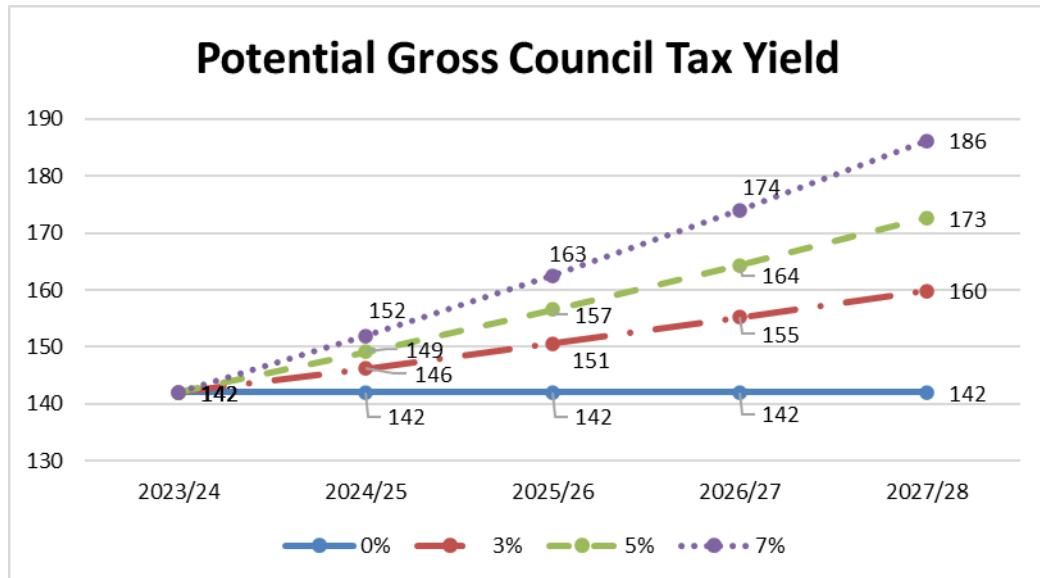
The following stylised planning assumptions are made:

- As in the past, there is no formal published upper limit to annual Council Tax increases and therefore no upper limit for planning assumptions, but for modelling purposes an upper limit of 7% is included,
- Given the sheer scale of spending reductions needed to set a future balanced budget it is considered equally implausible (albeit theoretically)

not impossible) that Council Tax levels will be cut. This provides a lower limit of 0% per annum,

- As middle ground options 3% and 5% are also modelled,
- The stylised assumption included for planning purposes is 5%.

The chart below demonstrates the different levels of Council Tax that could be expected under the different scenarios:



5. Summary of the Medium Term Financial Plan and Successful and Sustainable Swansea

5.1. The summary anticipated savings requirement over the period of the Medium Term Financial Plan is shown below and is extracted from the table shown at paragraph 3.3 of this report.

	<u>2023/24</u> <u>£'000</u>	<u>2024/25</u> <u>£'000</u>	<u>2025/26</u> <u>£'000</u>
Cumulative Savings Requirement	17,694	28,523	30,874

5.2. The assumptions surrounding the compilation of these figures are given in detail within the table at paragraph 3.3 above and, in particular, are heavily dependent on the assumption of an ongoing increase in AEF for each of the three years covered by the MTFP.

Clearly there is the risk of significant volatility in future years arising from:

- The cumulative effect of any variation in these assumptions in early years
- The uncertainty around assumptions surrounding the latter years.

5.3. Notwithstanding that position, in addressing the ongoing budget deficit, the Council has a number of actions that it can take in terms of achieving a balanced budget. These include:

- Realisation of future years' budget savings arising out of previously agreed savings and 2024/25 consultation proposals,
 - Additional Directorate/Service Area targeted savings as detailed in paragraph 4.13 of this report,
 - Potential rises in Council Tax levels, as estimated in paragraph 4.15.
- 5.4. Bringing these items together, and assuming a balanced position for 2024/25, the following indicative position is envisaged:

	<u>2024/25</u> <u>£'000</u>	<u>2025/26</u> <u>£'000</u>	<u>2026/24</u> <u>£'000</u>
<i>Cumulative savings requirement</i>	17,694	28,523	30,874
<i>Future year impact of current service savings proposals</i>	-2,800	-7,111	-7,802
<i>Future year proposals to be considered</i>	-7,474	-11,741	-13,353
<i>Schools savings</i>	-7,420	-9,671	-9,719
<i>Remaining Gap at 2% AEF</i>	0	0	0

<i>Surplus at 4% AEF – which would be available to re-invest, reduce savings and/or lower council tax assumptions</i>	8,500	17,500	26,900
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- 5.5. In terms of addressing the overall budget, there are further options available to the Council that are not yet firm enough to be able to be included in the table above, but nevertheless are being worked through and considered for future inclusion.
- 5.6. These options include reviewing services and funding provided to schools, potential (but no commitment or decision yet to) inclusion of a Tourism Tax and potentially higher or lower than 5% increases to Council Tax. To some extent decisions around these proposals will also be reliant on the annual settlements received from the Welsh Government.
- 5.7. The Council will use the overarching Successful and Sustainable Swansea Transformation Programme when considering all options.

6. Medium Term Financial Planning for Schools

- 6.1. The purpose of this section is to highlight the estimated effect of specific spending pressures and potential specific grant reductions on Schools' budgets in the light of funding assumptions detailed elsewhere in this report.
- 6.2. More specifically the Detailed Budget report to Council in respect of the 2024/25 Revenue Budget outlines the specific budget proposals for that year.

- 6.3. It is important to note that, given the size of the potential budget deficit facing the Council over the period of the MTFP, it is envisaged that Schools will be required to make some significant contribution to savings targets during this period.
- 6.4. Aside from this, the Council will continue to prioritise education funding and spending pressures and take into account the extent to which these can be met on annual resources available and competing spending needs. It should be noted that at present there is a contribution from Schools built into the budget forecast, however to some extent although this is a planning necessary intention of the Council if settlements prove low, whether this will happen in practice will be entirely reliant on future settlements from the Welsh Government and are likely to be reduced or removed if settlements prove higher than the central planning assumption for AEF.
- 6.5. In particular, it should be noted that due to recognition of the sizeable pressures faced by Schools in 2024/25 Cabinet are recommending to Council that significant one-off funding is provided to Schools in 2024/25 only. This can only be afforded for one year as the allocation is funded from one-off contributions from reserves. The clear aim is to support and protect Schools in the short-term as much as possible, however the medium-term impact is that this will significantly impact Schools unless significant additional funding is forthcoming from the Welsh (and ultimately UK) Government.
- 6.6. Neither the Revenue Budget nor the MTFP Reports include costs for the national 5% increase in Teachers Pension costs from 2024/25. It is expected that the funding for this will flow from the UK Government to the Welsh Government as a Barnett consequential, and then to Schools post Spring 2024.
- 6.7. It is essential that we continue to engage with Schools on a strategic review of provision as simply cutting budgets in real terms without otherwise doing so will simply not work.

7. Risks and Issues Implicit within the MTFP

- 7.1. As stated throughout this report the financial risks facing the Council include:
- Assumptions around the core funding support from the Welsh Government being incorrect, particularly if overstated. This has become higher risk as the Welsh Government have not given any indication on future years funding.
 - Ongoing reductions in specific grants that require equivalent reductions in expenditure, often at short notice, which are both uncertain and unpredictable in terms of timing.
 - Delay or non-delivery of key savings strands which are essential to meet the projected service reductions identified in this report.
 - Significant further changes to Central Government fiscal policy with regard to the Public Sector.

- The introduction of new legislation and statutory requirements that impose additional burdens on the Council.
 - The ongoing practical impact of legislation such as the Wellbeing of Future Generations (Wales) Act 2015.
 - The ongoing (and unknown) impact of the current cost of living crisis.
- 7.2. The table at paragraph 3.3 of this report outlining the potential budget shortfalls over the period of the MTFP contains a significant number of assumptions around future cost pressures, particularly with respect to pay awards, which may have a significant cumulative effect if not settled at the levels indicated. This has the potential to change significantly the projected deficit towards the end of the planning period.
- 7.3. The assumptions contained within the plan specifically assume:
- The Council will deliver a balanced revenue outturn in respect of the current and future financial years and, to that extent, no deficits are identified that would require additional funding in future years.
 - The Capital programme is constrained to the extent that the maximum additional debt charges that are incurred (which should be considered temporary until capital receipts are achieved) do not exceed the sums included in the MTFP. In particular that any additional borrowing requirements in respect of aspirational capital development will be met from additional income generation from such schemes or a combination of funding from the public and private sector that evidences financial sustainability.
 - The Council continues to achieve its ambitious savings targets.
- 7.4. It is assumed that there will be substantive change to the structure of service delivery, including additional regionalisation of services. It is however far too early to financially quantify and describe those changes so they are explicitly excluded at present.

8. Use of Reserves

- 8.1. The purpose of this section is to highlight the current planned use of General Reserves to support the 2024/25 Revenue Budget and to outline the relationships between known risks and earmarked reserves and its effect on planning assumptions. An analysis of the current position is given in paragraphs 8.3 to 8.8 below.
- 8.2. Conclusions and recommendations in respect of reserves usage are given in paragraph 8.9 below.
- 8.3. The current 2023/24 Revenue Budget was set with no planned use of General Reserves.
- 8.4. In terms of planning assumptions there is no assumption of ongoing use of or availability of General Reserves in 2024/25 or beyond.

- 8.5. Whilst the Council maintains a number of specific reserves, they are not factored into planning assumptions because they are either ring-fenced under statute or scheme of delegation (e.g. Schools' delegated reserves), or they are earmarked to meet known liabilities. (The exceptions to this are the already agreed use of the Capital Equalisation Reserve for targeted capital investment and the temporary use of the Economic Recovery Fund as an Energy Inflation Fund).
- 8.6. In December 2023 Council received and approved a report which re-allocated earmarked reserves based on known changes to the risk profile of the Council, and it is anticipated that a similar report will be taken on an annual basis.
- 8.7. Allowing this consideration outside of the annual budget process, and after previous year outturn is known, will give elected Members better opportunity to reflect on the level of General and earmarked reserves in line with the guidance detailed in paragraph 8.10 below.
- 8.8. In addition, various sections highlighted throughout this report refer to significant ongoing risk around current activities.
- 8.9. It remains the position that until these significant risks are fully mitigated then any additional planned use of earmarked reserves to support general revenue budget deficits would be inappropriate.**
- 8.10. On 12th January 2016 the Welsh Government issued guidance to Local Authority Members on matters to be taken into consideration when scrutinising the level of Local Authority Reserves held at any point in time. This has been circulated to all Members and any recommendation relating to the holding or release of reserves will be undertaken with reference to the principles underpinning best practice as issued by the Chartered Institute of Public Finance and Accountancy (and updated in March 2023) and this guidance.

9. Legal and Equalities Implications

Legal Implications

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

Integrated Assessment Implications

- 9.2. 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.
- 9.3. 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”. Appendix D is a letter from the Future Generations Commissioner for Wales.
- 9.4. 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
- 9.5. The budget reductions implicit in the 2023/24 approved budget were subject to the corporate and appropriate Integrated Impact Assessment process, which was considered as part of the overall budget process.
- 9.6. Where additional budget savings requirements are identified as part of the 2024/25 and MTFP budget processes they will be subject to the integrated impact assessment process (including relevant consultation and engagement) as part of the budget considerations for those financial years.

Background Papers: None

Appendices:

Appendix A – Statement of Budget Principles and Service Budget Priorities

Appendix B – Savings Proposals

Appendix C – Integrated Impact Assessment Screening Form

Appendix D – Letter from the Future Generations Commissioner for Wales.

Statement of Budget Principles and Service Budget priorities

GENERAL PRINCIPLES FOR ALL SERVICES

1. A number of principles apply to all the Council's services, regardless of the assessment of relative priorities. These are set out below.

Budget Principles

2. The Council has adopted a number of Budget Principles that underpin the budget strategy:

<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>
<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>
<i>Full cost recovery</i>	<i>Personal Responsibility</i>

All Services must apply and be consistent with these Budget Principles.

All Services are also required to address these Principles as part of business planning and developing savings proposals.

Service Transformation and Efficiency

3. There are expectations upon all Services in relation to transformation and efficiency, which must be met regardless of relative priority for funding:

Transformation	<p>All services must identify and progress transformation opportunities that will:</p> <ul style="list-style-type: none"> • deliver better outcomes • develop a sustainable delivery model, fit for the future • reduce costs and secure value for money
Efficiency	<p>All services must continue to strive for efficiency, in particular:</p> <ul style="list-style-type: none"> • reduce management and other overheads • maximise opportunities for increasing income from charges, trading and external sources

	<ul style="list-style-type: none"> • reduce the cost of purchasing supplies and services • work with others to achieve better outcomes • look for opportunities for residents or community groups to take or share responsibility for services
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4. STATEMENT OF BUDGET PRIORITIES: SCHOOLS AND EDUCATION

Education is continuing to deliver a consistent and coherent budget strategy across delegated and non-delegated budgets.

Additional funding to schools supports anticipated pay inflation and goes as far as it is able to meet wider pressures, such as Additional Learning Needs.

Whilst recognising the relative priority given to Education (and Social Services), further significant savings cannot be made in future years without reductions in real terms in the Schools Delegated Budget.

Moreover, further significant cuts in the remaining non-delegated education budgets will have a direct impact on areas of pupil specific support and further reduce the support that can be provided to schools from the Education Directorate against a context of increasing demands and expectations.

At the same time, greater focus is being given to the regional delivery of services, with a fundamental review of those services being delivered through the new regional partnership in the coming years.

A continuing move towards a fundamentally different relationship between schools and the local authority is required, reflecting the challenges and opportunities presented by the national changes in curriculum and support for additional learning needs. By its very nature, this is a long-term strategy. The future model for Education provision includes:

- Radically changing the way support for pupils is provided – more flexible earlier intervention and support, as local as possible
- A consistent approach to support the needs of all pupils through a continuum of support
- Integrating and aligning services with Social Services and other agencies such as Health
- Working more closely with schools on a community focused agenda, seeking to minimise transport costs and, wherever feasible, co-locate other services on school sites to aid sustainability (where revenue and capital funding streams are at least sufficient to cover the costs involved).

We will deliver this through:

- Coherent revenue and capital strategies
- Optimising the level of delegation of funding and responsibilities to schools to allow the greatest flexibility in the use of the available resources
- Supporting earlier intervention and support for pupils:
 - Implementing the changes that underpin the ALN Act

- Providing increasingly targeted specialist support, reflecting the findings of the Education other than at School (EOTAS) review
- Building further capacity in mainstream educational provision and in county specialist provision
- Empowering and facilitating more collaborative school-to-school support
- Ensuring we maximise our commissioning and procurement activity for Out of County places for specialist provision to ensure best value, while meeting learner need.
- Delivery of further significant financial savings through a continuing coherent 'one education budget' strategy:
 - Retaining an absolute core level of statutory and regulatory provision at the centre
 - Recognising where prevention and early intervention services are need to prevent escalating costs at later stages.
 - Ensuring a full recovery of the costs of any support provided to schools above this level and providing the minimum level of Council funding required to fully access the remaining available specific grants

Ceasing financial contributions to support the few remaining areas of discretionary educational provision.

5. STATEMENT OF BUDGET PRIORITIES: SOCIAL SERVICES

As anticipated the significant impact of covid and the cost of living crises on the health and wellbeing of our population has started to play through into increased cost pressures across the Social Services Directorate. This has meant that in 2023/24 and for the first time in many years the Directorate has been unable to meet the financial planning assumptions set out within the Council's MTFP without in year mitigating actions including a draw on reserves.

An all Wales analysis of the gap between the cost to Councils of meeting existing levels of demand for social care and the resources available will rise to c£600m over the next few years.

These funding pressures will be exacerbated by additional reductions in grant income which currently fund the bulk of the Council's prevention and early help offer.

Nevertheless, the overall strategy to implement a more cost effective early, help, prevention and wellbeing approach across the Directorate albeit within a reduced financial envelope remains the optimal approach both in terms of supporting the safeguarding and wellbeing of our population and maintaining financially sustainable services.

In that context the priorities for the Social Services Directorate remain:

- Doing what matters to make things better for children, young people, and families,

- Maintain the current Safe LAC Reduction Strategy for children and young people and support more children to remain living safely within their families and communities,
- Continue our investment in preventative services to reduce the number of children escalating to requiring statutory children social services intervention,
- Further develop the agreed optimum model for adults, by embedding the following:
 - Better prevention and early help
 - A new approach to assessment
 - Improved cost effectiveness
 - Working together better
 - Keeping people safe
- Further embed tackling poverty services and prevention approaches across the Directorate and wider Council promoting strengths-based approaches to working with and in communities
- Continue to ensure we maximise the use of the various grant income streams available to support the Council's priorities.

6. STATEMENT OF BUDGET PRIORITIES: PLACE SERVICES

For the Place Directorate 2023/24 has been another challenging year as a result of ongoing pressures arising post pandemic and as a consequence of the cost of living crisis which has seen further increases in demands for services across the Directorate and an impact on reduced / slow to recover income streams some of which will continue through into 2024/25. Continued efforts are being made to manage demand and budgetary pressures and this has been reflected in the budget setting process. Pressures are not expected to reduce in the medium term, but the proposed settlement will allow continued investment in many of its front line "place based" services positively impacting on the environment and communities the Council serves. The main areas of priority are:

- Prioritisation of key corporate objectives including the regeneration of the City Centre, delivery of the city deal and its biodiversity and climate emergency/ Net Zero objectives,
- The continued new operation of the new Digital arena, delivery of the Kingsway digital village project and facilitation of the Phase 2 city centre development with our strategic development partners,
- Deliver on a range of ongoing actions arising out of the Council's recovery plan with particular focus on the economic recovery, facilitating private sector investment and tourism,
- Maximise commercial opportunities and income generation for services and assets to offset income losses,
- Seek opportunities for community involvement in the delivery of services and community enablement,
- Invest where necessary to maintain vital services including front line delivery of environmental services,
- Work within the affordability of the housing revenue account to increase the speed of delivery of the more council homes and continue investment to maintain and improve the existing stock,

- Adequately resource the significant council wide capital programme including highways, infrastructure and new schools and respond to the current recruitment challenges to aid delivery,
- Seek to manage the significant rise in demand for homelessness services by delivering on the Councils' homelessness strategy,
- Seek to maximise the success of grant bids maximising the beneficial use of council resources,
- Grow the capacity to support local businesses and suppliers through the circular economy principles and maximise the support available for inward investment,
- Working regionally with colleagues to progress delivery of the Regional Economic Delivery Plan and Regional Transport Plan.

7. STATEMENT OF BUDGET PRIORITIES: CORPORATE SERVICES

The Corporate Services Directorate provides critical support services to the whole council, including Human Resources, digital technology, communications, and legal and democratic services. The Directorate supports the political and managerial leadership of the council to set the strategic direction and enable the organisation to deliver it, responding to external challenges including financial pressures and changes in the operating environment.

Within the budget available to the Directorate our priorities for 2025-28 will be: to

- Ensure high quality, responsive and customer focused support services to Members and officers across the council,
- Deliver the Council's digital and workforce strategies and transformation programmes,
- Ensure the Council has excellent corporate governance arrangements, including implementing digitisation of performance and risk management processes,
- Provide an effective HR support and learning and development offer for employees,
- Ensure the council has effective ICT infrastructure, systems and appropriate cyber security arrangements,
- Invest in process improvements in the Service Centre and Customer Services.

8. STATEMENT OF BUDGET PRIORITIES: FINANCE

The Finance Directorate will deliver high quality and cost effective core services, supporting frontline service delivery and achieve better outcomes for our residents, customers and visitors, as well as leading on the General Power of Competence (GPOC) and commercialism agendas.

The Finance Directorate supports the political and managerial leadership of the council to set the strategic direction and enable the organisation to deliver

it, responding to external challenges especially financial pressures and changes in the operating environment.

To be able deliver the above our focus must be to:

- Strategically manage the revenue and capital finances of the whole Council having due regard to the medium and longer term and the Wellbeing of Future Generations as well as the immediate and forthcoming budget cycles.
- Manage demand for financial support services by supporting the workforce to have the right skills for the future, particularly managers
- Focus on the priorities within the functions of the corporate financial centre such as financial control, financial advice, control of Council Tax and benefits, and commercial capability.
- Look for opportunities for collaboration and co-production models with other organisations and partners, in order to maintain support services as efficiently as possible

To continue to evolve the services as the operating environment changes to ensure we can be agile and responsive to change

Part 1 – Savings Proposals

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Future Year Impact of current (2024/25) proposals:					
Corporate Services - Digital and Customer Services	Remove surplus training budget	None	5	5	5
Corporate Services - Digital and Customer Services	Mobile Phone saving	Digital Transformation Programme	4	4	4
Corporate Services - Digital and Customer Services	Licences saving	Digital Transformation Programme	5	5	5
Corporate Services - Digital and Customer Services	Contracts saving	None	50	70	70
Corporate Services - HR & Service Centre	Pay inflation increase to Schools WOD (Human Resources) SLA	None	11	23	25
Corporate Services - Legal Democratic Services & Business Intelligence	Pay inflation increase to Legal SLA	None	3	6	9
Education - Non-delegated	Cost recovery of project officers for capital schemes	Right Schools in Right Places	10	20	30
Education - Non-delegated	Reduce cost centre for historical pensions	None	10	20	30
Education - Non-delegated	Business support review	None	12	12	12
Education - Non-Delegated	Review of ALN transport - minibus pilot	Transforming Additional Learning Needs	25	50	75
Education - Non-delegated	Rationalisation of post-16 transport, reflecting reduced demand	None	68	68	68
Education - Non-delegated	Independent and out of county school contracts	None	100	100	100

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Education - Non-Delegated	Better targeting of Education otherwise than at school (EOTAS) spending following full implementation of new model of provision	Transforming Additional Learning Needs	200	200	200
Education - Non-Delegated	Enhance in County provision reducing out of county costs	Transforming Additional Learning Needs	200	300	500
Education - Non-Delegated	Increase Cleaning SLA charges for schools	None	50	60	70
Education - Non-Delegated	Increase charges for Catering service and SLA for schools	None	100	150	200
Finance - CTRS	Further CTRs savings on top up to another 10%	None	140	200	360
Finance - CTRS	Rebase Council Tax Reduction Scheme	None	97	1,097	1,097
Finance - Directorate	Miscellaneous budget reductions/efficiencies	None	103	93	233
Finance - Revenues and Benefits	Accelerate agreed Revs and Benefits changes	None	-93	-93	-93
Place - Building Services	Additional income generation through significantly increased work programme	More Homes Programme and Right Schools in Right Places	696	705	786
Place - Cultural Services	Increase fees and income targets in line with inflation	None	10	20	20
Place - Directorate	Review Place management structure on completion of Council JE scheme review	None	60	60	60
Place - Highways & Transport	Increase charges and income from Marina and Knab Rock In line with inflation	None	20	40	40
Place - Highways & Transport	Increase street works and licencing fees annually in line with inflation	None	25	50	50
Place - Highways & Transport	Operate an Additional Parking Enforcement camera car	None	100	100	100
Place - Housing & Public Health	Increase in Fee Income for Animal Licensing (food safety)	None	2	2	2

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Place - Housing & Public Health	Increase Food Safety and Trading Standards Fees by 15%	None	2	4	4
Place - Housing & Public Health	Increase pest control fees to 15% for schools' contract and general pest control	None	2	4	4
Place - Housing & Public Health	Increase in Fees for next 4 years Building Control (in accordance with Land Authority Building Charges Regulations 2010)	None	25	51	51
Place - Housing & Public Health	Increase fees for registrars over the next 4 years by 5% annually.	None	34	70	70
Place - Housing & Public Health	Increase fees for burials and Cremations over the next 4 years by 5% annually.	None	44	295	295
Place - Planning	Increase Land Charges Income	None	5	10	10
Place - Planning	Increase Planning Fee Income	Regeneration Programme	25	75	75
Place - Planning	Revise Swansea Market Rent Charges (but also separately invest more core Council funding into market as well)	None	50	50	50
Place - Planning and Regeneration	Review Nature Conservation, Regeneration, Economic Development, & Planning sections	None	50	100	100
Social Services - Adult Integrated Services for Older People	Further remodelling in line with delivery of WG policy for a Healthier Wales and the rebalancing policy commitment. Ensuring appropriate levels of investment from WG and Health Board. Ensure S33 arrangement for intermediate care has equitable contributions.	Transforming Adult Services	500	2,800	2,800

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Social Services - Adult Services & Integrated Services for Older People	Continue progress to a different mix of delivery	Transforming Adult Services	0	50	50
Social Services - Directorate	Fund non-statutory services to the minimum they require to successfully draw down grant funding (Training, Capital, Early Years)	None	0	55	55
Social Services - Directorate	Ensure all back office processes are as business efficient as possible, which will reducing overall staffing costs through natural vacancies	None	50	100	100
Social Services - Directorate	Review senior management structure	None	0	80	80
Future Year Impact of current (2024/25) proposals:			2,800	7,111	7,802
Future Proposals to be Considered:					
Corporate Services - Communications	Review and reshape occ health arrangements across the council	None	63	63	63
Corporate Services - Communications	Review and reshape policy and performance support provided to services.	None	0	50	50
Corporate Services - Communications	Review Communications Service Staffing	None	62	62	62
Corporate Services - Communications	Review and reshape comms/marketing activities across the council	None	50	50	50
Corporate Services - Communications	Carry Vacancy	None	62	62	62
Corporate Services - Communications	Sell / mothball Mansion House	None	60	60	60
Corporate Services - Digital and Customer Services	Review Digital Project Management Team	None	55	55	55

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Corporate Services - Digital and Customer Services	Support and maintenance contract saving	Digital Transformation Programme	0	40	40
Corporate Services - Digital and Customer Services	Review Customer Services	Digital Transformation Programme	0	64	64
Corporate Services - Digital and Customer Services	Review Customer Services	None	72	72	108
Corporate Services - Digital and Customer Services	Review Customer Services	None	36	36	36
Corporate Services - Digital and Customer Services	Reduction in workforce, would be equivalent to two Grade 9 posts, but exact posts not yet identified	None	0	0	110
Corporate Services - Digital and Customer Services	Customer Contact Team Leader	None	0	51	51
Corporate Services - Digital and Customer Services	Licences Saving (Additional)	None	0	176	176
Corporate Services - HR & Service Centre	Reshape Service Centre through digitisation and staff restructure to remove 4 posts	Digital Transformation Programme	30	205	205
Corporate Services - HR & Service Centre	Reduce facility time by 10% in line with wider Council workforce contraction	None	32	32	32
Corporate Services - HR & Service Centre	Replace the DBS renewal process with an update service	Digital Transformation Programme	0	34	34
Education - Non-delegated	Review of Additional Learning Needs (ALN) support	Transforming Additional Learning Needs	365	415	465
Education - Non-delegated	Reduced SLA for therapy services	None	50	50	50
Education - Non-delegated	Phase out devolved funding to schools for Education Other Than at Schools (EOTAS)	None	230	460	700

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Education - Non-delegated	Review of school access to additional teaching assistant support for specialist teaching facilities (STFs)	None	330	330	330
Finance - Revenues and Benefits	Remove vacant posts	None	93	93	93
Place - Cultural Services	Reduce Library Service 'footprint' through providing accommodation and shared services via SitC - work needed to assess costs to other services versus reduced costs to the Library service	Future Community Hub Model	400	400	400
Place - Cultural Services (Community Development)	Reduce service team and asset transfer community buildings; removing support for all except absolute minimum regulatory matters	None	0	150	150
Place - Cultural Services (Management)	Review Service Management and Directorate Budget for development work and cross support for Dylan Thomas Centre and staff	None	20	20	20
Place - Cultural Services (Oystermouth)	Council wide support to continue, but dedicated support will be removed	None	44	44	44
Place - Cultural Services (Sport and health)	Reinstate raised income targets across outdoor leisure portfolio	None	20	20	20
Place - Cultural Services (sports and health)	Reduce management of the sport and health team by reducing grant funded programmes	None	0	50	50
Place - Cultural Services (St Helens)	Divest the Council's interest in St Helens (saving realised in other depts) and save Cultural Services staffing/ maintenance costs	None	50	50	50

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Place - Cultural Services	Restructure in line with move to Y Storfa /Hub model e.g. one reception/ library assistant and shared local history personnel	Future Community Hub Model	20	20	20
Place - Cultural Services	Review budget to deliver Cultural Activity	None	20	20	20
Place - Cultural Services	Seek alternative (grant) funding for events and destination management with longer term Tourism Levy funding to be explored.	None	0	150	150
Place - Directorate	To assist with slippage and management of changing operational pressures in future years	None	-298	0	0
Place - Highways & Transport	Apply full cost recovery principles to day markets on car parks and highways	None	0	5	5
Place - Highways & Transportation	Introduce charges for residents parking based on £20 per permit per annum	None	0	140	140
Place - Highways & Transportation	Remove 48hr pothole pledge by reducing team	None	0	40	120
Place - Housing & Public Health	Pest - Reduce budget for animal impounding charges and vets services	None	12	12	12
Place - Housing & Public Health	Pest - Stop work related to stray horses	None	42	42	42
Place - Housing & Public Health	Pollution - Reduce out of hours response to 'emergency' response only including no out of hours response to noise nuisance investigations.	None	32	32	32
Place - Housing & Public Health	Pest - Reduce out of hours response to 'emergency' response only	None	26	26	26
Place - Place (All Services)	Savings to fund / offset known pressure in Parking (Parking Offer).	None	2,090	2,140	2,190
Place - Planning and City Regeneration	Fee income from capital projects in City Regeneration to offset revenue costs	Regeneration Programme	0	24	24

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Place - Planning and Regeneration	Senior Management Restructure	None	0	0	96
Place - Property Services	Reduction of service asset portfolio due to service reductions - savings on premises costs	Net Zero 2030 Programme	300	300	300
Place - Property Services	Revised structure arrangements due to reduced requirements as a result of asset reduction	None	0	0	400
Place - Waste	Remove city centre urinals	None	28	28	28
Place - Waste, Parks & Cleansing	Divert all other DIY material to Llansamlet and charge for disposal of specific materials	Future Waste Strategy	0	50	50
Place - Waste, Parks & Cleansing	Reallocate current Cleansing Project Teams	None	0	40	40
Place - Waste, Parks & Cleansing	Review Street Cleaning	None	30	30	30
Place - Waste, Parks & Cleansing	Reduction in Grounds Maintenance Workforce - 3no.	None	0	75	75
Place - Waste, Parks & Cleansing	Further reduction in street cleansing workforce - 3no. more	None	0	75	75
Place - Waste, Parks & Cleansing	Close Recycling Centre	Future Waste Strategy	0	45	45
Place - Waste, Parks & Cleansing	Wholesale reconfiguration of waste collection arrangements to maximise incentive for residents to recycle. Could include increased frequency of recycling collections, reduced frequency of black bag collections, reduced costs of containers, improved quality of recyclates. - based on achieving 10% reduction in residual waste.	Future Waste Strategy	200	300	300

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Place - Waste, Parks & Cleansing	Wholesale reconfiguration of waste collection arrangements to maximise incentive for residents to recycle. Could include increased frequency of recycling collections, reduced frequency of black bag collections, reduced costs of containers, improved quality of recyclates. - based on achieving 20% reduction in residual waste.	Future Waste Strategy	200	300	300
Place - Waste, Parks & Cleansing	Reductions in Enforcement Teams	None	30	110	110
Place - Waste, Parks & Cleansing	Retender Tir John Management Contract at end of current contract	Future Waste Strategy	80	140	140
Place - Waste, Parks & Cleansing	Review Gardeners at the Botanical gardens	None	0	30	30
Place - Waste, Parks & Cleansing	Switch from formal annual flower beds to informal low maintenance planting	None	0	45	45
Place - Waste, Parks & Cleansing	Reduction in Waste Plant and Equipment budgets and purchase essential via capital funding eg skips	None	0	50	50
Place - Waste, Parks & Cleansing	Efficiencies/increased income in Commercial Waste Service	Future Waste Strategy	0	150	150
Place - Waste, Parks & Cleansing	Increase Bulky Waste Collections charges	None	8	8	8
Place - Waste, Parks & Cleansing	Increased Tree Services income due to 15% increase in charges to HRA, schools and third parties	None	27	27	27
Place - Waste, Parks & Cleansing	Charging for garden waste collections	Future Waste Strategy	0	50	150
Place - Waste, Parks & Cleansing	Fortnightly collection of Tiger Bags	Future Waste Strategy	25	25	25

Director/Head of Service	Description	Transformation Project	Savings 2025/26 £'000	Savings 2026/27 £'000	Savings 2027/28 £'000
Place - Waste, Parks & Cleansing	Reduce Public Toilets Improvements Budget by 50%	None	40	40	40
Place - Waste, Parks & Cleansing	50% reduction in playground equipment budget	None	55	55	55
Social Services - Adult Services, Prevention and Tackling Poverty	Prevention and redesign activities in Adult Services to deliver additional medium-term savings linked to future reduced demand for care and support. This will mean that people currently in receipt of care and those who need care in the future receive a different offer – this is Adult Services Early Help offer.	Transforming Adult Services	1,483	2,773	3,223
Social Services - Adult Services, Prevention and Tackling Poverty	Review day services and amalgamate the number of sites and remodel the existing service provision for day opportunities to maximise use of buildings and promote independence for better outcomes and reducing overall staffing costs	Transforming Adult Services	750	1,000	1,000
Social Services - Child & Family Services	Continue to implement the new framework for the funding of childrens complex needs placements to ensure continued equitable funding of these placements with Health	Child and Family Services Transformation	100	100	100
Social Services - Child & Family Services	Implement income target for Borfa Gower Activities Centre (Increase in fees)	Child and Family Services Transformation	50	50	50
Total Future Proposals to be Considered:			7,474	11,741	13,353

Part 2 – Service Pressures and Investment

Director	Head of Service	Description	2024/25 £'000	2025/26 £'000	2026/27 £'000
Corporate Services	Legal and Democratic Services	Increase to Councillors costs due to IRPW Report	74	149	224
Corporate Services	Legal and Democratic Services	Election System - IDOX system	50	50	50
Social Services	Poverty and Prevention	Additional Pressures	50	50	50
Social Services	Adults	Additional Pressures	50	50	50
Social Services	Child & Family	Additional Pressures	100	100	100
Education	Non-Delegated	ALN (including Post 16) Transport cost pressures in excess of planning assumptions	70	70	70
Corporate Services	Communications	Grade 10 Strategic Change Manager post (Shown for completeness following extension of two year saving)	62	62	62
Corporate Services	Legal & Dem Services	Elections system - Modern Democracy	33	33	33
Corporate Services	Legal & Dem Services	Cost of running elections	0	0	50
Social Services	Directorate	Extra Directorate Pressures in addition to what is included above with 5% CPI added for coming years	220	470	720
Education	Non-Delegated	Increased claims from Facilities Time Policy	3	6	9
Education	Non-Delegated	Regional School Improvement Service Charges	42	85	85
Place	Housing & Public Health	Poor Income Recovery Housing and Public Health (Cems)	0	-71	-79
Place	Highways & Transportation	Parking Offer / Income (Highways)	50	100	150
Place	Housing & Public Health	Homelessness costs to comply with WG Policy	500	500	1,700
Place	Directorate	Y Stora	26	26	26
Grand Total			1,330	1,680	3,300

Integrated Impact Assessment Screening Form

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Accountancy

Directorate: Finance

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other

(b) Please name and fully describe initiative here:

Medium Term Financial Planning 2025/26 to 2027/28

Service and financial planning continues to be undertaken against a backcloth of increasing service pressures and demand. Again this year there is added pressure and uncertainty as we deal with a cost of living crisis and uncertain inflation levels. This has affected short-term planning and is expected to continue impact the budget in the medium term.

- The Medium Term Financial Plan (MTFP) is an overarching strategy that:
- Covers three future years.
- Forecasts future known additional spending requirements, likely resources and potential funding shortfalls.
- Links to the Council's adopted transformation programme 'Transformation Strategy 2022-2027 and Beyond – Successful and Sustainable Swansea' as a means of addressing future budget shortfalls.
- Links to the Council's revised Corporate Plan, "Delivering a Successful and Sustainable Swansea" and the delivery of our top 6 priorities.
- Has due regard to our duties under the Well-being of Future Generations Act 2015.

Future detailed Service planning will need to be undertaken within the financial assessments and forecasts contained within the Medium term Financial Plan.

It is important to understand that the MTFP does not constitute a formal budget in respect of the period 2025/26 to 2027/28 and as such the indicative annual assumptions included both within the projected spending pressures detailed in Sections 2 and 3 of this report, and the potential funding detailed in Sections 4 and 5, will be subject to a full review and decision making process as part of each of the annual Revenue Budget and Council Tax setting decisions.

Instead, the MTFP is intended to outline, in broad terms, the specific service and funding issues over the three year period and how the Council will, within its financial constraints, fund its priorities and achieve major service change and savings.

It is essential as a planning and review tool in order to assess, on an ongoing basis, base assumptions around service pressures and progress against delivery of savings.

The plan serves to highlight the trend for increasingly uncertain times ahead in terms of funding for this Council and Local Government in general, as well as the service pressures that the Council faces from rising demands and increases in demography, together with potential funding pressures arising from ambitious plans for capital development.

Importantly, it is essential that the MTFP is a 'living' document that is subject to regular review and revisions as more information becomes available and risks are updated. As such, it is anticipated that, along with close monitoring of the specific budget proposals and savings targets for 2024/25, further reports to Cabinet regarding the MTFP will be made as necessary. In particular, the Mid Term Budget Statement in the autumn of 2024 will provide a key update on the financial outlook and delivery of savings.

GENERAL PRINCIPLES FOR ALL SERVICES

A number of principles apply to all the Council's services, regardless of the assessment of relative priorities. These are set out below.

Budget Principles

The Council has adopted a number of Budget Principles that underpin the budget strategy:

<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>
<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>
<i>Full cost recovery</i>	<i>Personal Responsibility</i>

All Services must apply and be consistent with these Budget Principles. All Services are also required to address these Principles as part of business planning and developing savings proposals.

Service Transformation and Efficiency

There are expectations upon all Services in relation to transformation and efficiency, which must be met regardless of relative priority for funding:

Transformation	<p>All service must transform through a fundamental review of purpose, however services are commissioned, to:</p> <ul style="list-style-type: none"> • deliver better outcomes, • develop a sustainable delivery model, fit for the future, • reduce costs and secure value for money.
Efficiency	<p>All services must continue to strive for efficiency, in particular:</p> <ul style="list-style-type: none"> • reduce management and other overheads, • maximise opportunities for increasing income from charges, trading and external sources, • reduce the cost of purchasing supplies and services, • work with others to achieve better outcomes, • look for opportunities for residents or community groups to take or share responsibility for services.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further Investigation	No Impact
	+	-	+	-	+	-		
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The impact will be different for each service and will be assessed as part of our IIA process.

**Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?
Please provide details below – either of your activities or your reasons for not undertaking involvement**

Consultation will take place annually as part of the revenue budget annual process. The Medium Term Plan is a planning tool and not a formal budget, all parts of the Plan are subject to a full review and decision making process as part of the annual Revenue Budget decisions.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan's Well-being Objectives when considered together?
Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
Yes No
- c) Does the initiative apply each of the five ways of working?
Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
Yes No
-

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No If yes, please provide details below

The plan is for the whole of the Council as such all services are impacted

Q7 Will this initiative result in any changes needed to the external or internal website?

Yes No If yes, please provide details below

Q8 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

The impact of the Medium Term Financial Plan will be fully considered as part of the engagement and consultation process undertaken each year as part of the Revenue Budget decision making process. The Plan itself is a planning tool only and doesn't constitute a formal budget.

Outcome of Screening

Q9 Please describe the outcome of your screening using the headings below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

The budget reductions implicit in the 2023/24 approved budget were subject to the corporate and appropriate Integrated Impact Assessment process, which was considered as part of the overall budget process.

Where additional budget savings requirements are identified as part of the 2024/25 and MTFP budget processes they will be subject to the integrated impact assessment process (including relevant consultation and engagement) as part of the budget considerations for those financial years.

(NB: This summary paragraph should be used in the '**Integrated Assessment Implications**' section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Sarah Willis
Job title: Group Accountant – Corporate and Strategy
Date: 29/01/2024
Approval by Head of Service:
Name: Ben Smith
Position: Director of Finance and Section 151 Officer
Date: 29/01/2024

Please return the completed form to accesstoservices@swansea.gov.uk

By email

1st of February 2024

Dear Chief Executive,

I am writing to you about our joint role in delivering the Well-being of Future Generations Act and how we must consider the interests of future generations in the challenging budget setting circumstances we face. Please share this letter with your directors of finance.

The budget constraints come at a difficult time, in a period of polycrisis, including climate change, biodiversity loss, pandemics, the rising cost of living, and conflicts, which together are having a significant, immediate, and detrimental impact on the lives of the people in Wales.

In this time of budget challenges, it is important we avoid short-term, sticking plaster solutions as we know this will only serve to store up problems for the future. Instead, we must continue to follow the direction of the Well-being of Future Generations Act.

We must continue to take forward our commitments to current and future generations to remedy the root causes of problems, not just the symptoms, for a better future for everyone.

I recently gave evidence to the Finance Committee on their 2023-2024 budget where I challenged Welsh Government's use of the Well-being of Future Generations Act in setting their draft budget. I also urged Welsh Government to do more to support public bodies and PSBs (Public Services Boards) to implement their well-being objectives and to involve public bodies further in their budget decision-making process.

I would like to re-emphasise the importance of ensuring that the spending of public funds is aligned with the well-being goals, the five ways of working, and the corporate areas of change.

More than ever, it is important to build resilience wherever we can and protect preventative action, so we do not face greater challenges in future.

The Corporate Areas of Change (i.e. corporate planning, financial planning, workforce planning, procurement, assets, risk management and performance management), outlined in the Well-being of Future Generations Act's Statutory Guidance, ask that public bodies clearly demonstrate how they are considering the legislation in their financial, risk, and asset planning.

I would be interested to learn more about how you are considering the interests of future generations when you are setting your budget this year.

Please share with me information about your approach so I can share examples of good practice with other Welsh public bodies.

Comisiynydd Cenedlaethau'r Dyfodol Cymru
Tramshed Tech, Heol Pendyris
Caerdydd, CF11 6BH
cystylltwchani@cenedlaethaurdyfodol.cymru
cenedlaethaurdyfodol.cymru

Future Generations Commissioner for Wales
Tramshed Tech, Pendyris Street
Cardiff, CF11 6BH
contactus@futuregenerations.wales
futuregenerations.wales

Finally, I would like to take this opportunity to reiterate my commitment to supporting you and your team as we navigate this difficult period.

Over the next twelve months, I will increase the support my office provides you to apply the Well-being of Future Generations Act to inform budget making decisions.

Yours sincerely



Derek Walker

Comisiynydd Cenedlaethau'r Dyfodol Cymru

Future Generations Commissioner for Wales

Agenda Item 9.



Report of the Section 151 Officer

Council – 6 March 2024

Revenue Budget 2024/25

Purpose:	This report proposes a Revenue Budget and Council Tax Levy for 2024/25.
Policy framework:	Medium Term Financial Plan and Budget Strategy
Consultation:	Cabinet Members, Legal, Access to Services & Corporate Management Team
Recommendations:	It is recommended that: 1) Council approves a Revenue Budget for 2024/25 as detailed in Appendix A. 2) Council Approves a Budget Requirement and Council Tax Levy for 2024/25 as detailed in Section 9 of this report.
Report Authors:	Ben Smith/Sarah Willis
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction and Background

1.1. This report details:

- Financial monitoring 2023/24
- The Local Government Finance Settlement 2024/25
- Budget Forecast 2024/25
- Specific Savings Proposals
- Outcome of Budget Consultation
- Staffing Implications
- Reserves and Contingency Fund requirements
- The Budget Requirement and Council Tax 2024/25
- Summary of funding proposals
- Risks and uncertainties

- 1.2. The financial assessment in relation to 2025/26 – 2027/28 is contained in the **Medium Term Financial Plan 2025/26 – 2027/28** elsewhere on this agenda.
- 1.3. This report builds upon and needs to be read in conjunction with:
- The budget strategy agreed by Council on 22nd October 2013 – **‘Sustainable Swansea: Fit for the Future’**.
 - The report to Cabinet on 29th July 2014 – **‘Sustainable Swansea: Fit for the Future: Delivery Programme’**.
 - The update report on **Sustainable Swansea – Fit for the Future** as approved by Cabinet on 16th July 2015.
 - The report to Cabinet on 15th October 2020 – **‘From Recovery to Transformation’** detailing the “Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026”,
 - The report to Cabinet on 17th November 2022 – **‘Transformation Goals and Strategy’** detailing the Council’s transformation strategy, vision and goals for 2022 – 2027.
 - The report to Cabinet on 20th April 2023 – **‘Successful and Sustainable Swansea Corporate Transformation Plan’** detailing the Council’s corporate transformation plan.
 - The report to Cabinet on 12th January 2024 – **Budget Proposals 2024/25 – 2027/28** setting out the Council’s proposals for consultation.
- 1.4. The report sets out the latest budget estimates. Cabinet has considered any comments and feedback received as a result of the budget consultation. The report also includes an Integrated Impact Assessment statement so that Council can be aware of the key issues before finalising budget proposals.
- 1.5. 2021/22 marked the first full year of required full compliance with the CIPFA Financial Management Code. The code was taken into consideration during the 2021 Senior Management Review and the resulting restructure ensuring compliance with the code has been in place for several years.
- 1.6. **Whilst rightly emphasising what is proposed being removed in savings for transparency, at just under £25 million, it must equally be borne in mind that approximately £50 million is being added, making a net £25 million being added. Net service budgets are increasing even though substantial savings need to be found.**

2. Financial Monitoring 2023/24

- 2.1. Cabinet considered a report on the estimated Revenue Outturn for 2023/24. It was projected that the Council will outturn at an underlying directorate overspend position of £1.507m, which is an improved position compared to the forecast overspend at quarter 2.
- 2.2. The overspend is primarily in respect of pressures in the care sector, home to school transport and waste management.

- 2.3. In addition, to be prudent it is the S151 Officer's view that there is a need to create an equal pay provision at an estimated value of £15m. This is as a result of carrying out a review following well documented reports in the national press.
- 2.4. The contingency fund will be used to fund a list of approved items, leaving a balance of £2.574m to contribute to the creation of the provision, together with the residual balance on the inflation provision of £3.649m.
- 2.5. Any underspends on capital charges (at least a further £7.0m) will also be used to fund the creation of the equal pay provision, a one-off deviation from the strategy previously agreed by Council, to contribute to the capital equalisation reserve.
- 2.6. Nevertheless, the overall position remains overspent by a residual £3.284m (on top of over £25m planned one off draws from reserves, predominantly for the Economic Recovery Fund and energy costs, and a separate expected £10m draw from schools reserves) and this residual overspend must be fully addressed by spending officers before outturn to prevent destabilisation and undermining of the starting position in relation to 2024/25 budget.

3. The Local Government Finance Settlement 2024/25

- 3.1. The Minister for Finance and Local Government announced the provisional Revenue and Capital Settlement for 2024/25 on 20th December 2023 and the final settlement is expected, subject to confirmation, to be announced on 28th February 2024.
- 3.2. At the time of writing this report the Welsh Government had not announced the final settlement, however the Minister for Finance and Local Government stated in the provisional settlement that there was no intention to make significant changes to either the methodology or the data underpinning the settlement.

There are a few reasons why the settlement figure may change:

- Like last year there may be a change to fire service funding,
- There is a recently announced £25m Barnett consequential for Wales as a result of a £600m urgent top up to local government funding proposed in England.
- There will be a national 5% increase in Teachers Pension costs from 2024/25, it is expected that the funding to cover this will flow from the UK Government to the Welsh Government as a Barnett consequential and then to schools. It is unknown when this will happen, it could be in the final settlement or as a specific grant, and it may arrive in March 2024.
- Some specific grants could still change (the Welsh Government has already announced potential change to the Homelessness grants announced in the provisional settlement)

The Welsh Government has announced a revision to the Capital Settlement due to an anomaly impacting the distribution. This has resulted in a minor amendment to the Capital Settlement for Swansea (an increase of a further £0.031m). Whilst there are minor amendments to the Revenue Settlement as a result of this, Swansea is unaffected as to the nearest thousand there is no change.

Any other changes such as any new responsibilities transferred into the Revenue Support Grant will simply be passported to Services as usual. **If any more material announcements are made over elements regarding taxation policy (business rates, council tax, VAT, employers taxes etc.) or expectations for, or funding for helping with council tax levels, or indeed overall funding support to councils, this may need to be revisited at Council, which will be operationally and procedurally difficult given likely March timings of both Welsh Government and UK Government final budgets and our own Council budget setting of 6th March.**

- 3.3. The Welsh Government wrote to all Leaders on 7th February 2024 to announce an expected change to the final AEF as a direct result of the UK Government increasing funding for local authorities in England. The amount expected by the Welsh Government is around £25m and will be split between reinstating the social care workforce grant to the 2023/24 level, with the remainder going into the revenue support grant. This will be included in the final settlement issued on 28th February, the exact amount for Swansea will be unknown until then, however it is estimated as an additional £1.1m, and has been included at that estimated level following discussion at Cabinet on 15th February.
- 3.4. In respect of Schools and Social Services, although the provisional settlement does make it clear that the cost pressures in social care and schools are definitively recognised by the Welsh Government, there is no formal protection or funding guarantee and the block grant increase actually falls far short of the assumed need to spend in both those blocks within the settlement so any decision over funding is a local one to be made by Cabinet and ultimately by Council, having any due regard to any budget consultation responses received.
- 3.5. In revising the Medium Term Financial Plan and setting the Budget for 2024/25, it is essential that the Council adheres to the strategic goals in the latest transformation strategy *Transformation Strategy 2022 and Beyond*. The Council made clear through *Sustainable Swansea* that the need to transform services, reduce or divert demand through prevention and to look for alternative models of delivery, including community action, is required for our future sustainability and to improve outcomes for citizens and this needs to be reinforced and strengthened under the new *Successful and Sustainable Swansea – Transformation Plan* as approved by Cabinet in April 2023.
- 3.6. **The longer-term financial pressures and level of risk that we continue to face make the need to implement these changes ever more urgent. The modest increase in Aggregate External Finance for next year should be**

seen as a further opportunity to maintain investment in the Council's priorities and preventative action in particular, and embracing wider scale transformational change, as part of the recovery plan, not to slow down the pace of change or the level of required savings in the medium term, given the outlook and levels of future settlements are forecast to materially deteriorate.

4. Budget Forecast 2024/25

Overview

- 4.1. The budget proposals for 2024/25 as submitted for consultation on 12th January 2024 highlighted pressures of £51.132m, resulting in a savings requirement of £24.924m once the provisional increase on Welsh Government Aggregate External Finance (AEF) of £15.308m was taken into account, together with estimated Council Tax rises of £10.900m.
- 4.2. The announcement of the final settlement will mean that the overall funding deficit forecast for 2024/25 will inevitably change, not least because of the announcement by the Welsh Government as detailed in paragraph 3.3 above. There will also be changes in respect of transfers into the Authority. The Welsh Government has indicated that there will be transfers for Implementation of the Performance and Improvement Framework, Delivery of Flood Prevention and Child Burials. It is proposed that these will be passported directly to services in line with previous years.
- 4.3. In addition, the opportunity has arisen to review all aspects of the budget pressures and risks so far identified with a view to updating the forecast using the latest up to date assumptions.
- 4.4. The options for funding the deficit that is identified remain as:
 - Savings on current service net expenditure (through a combination of expenditure reduction and additional income generation)
 - Increases in Council Tax levels (but weighing need for tax revenue sustainability with affordability for residents)
 - Use of Reserves and Balances more generally (not advised as simply not sustainable).

Forecast Funding Requirement 2024/25

- 4.5. The revised funding requirement previously identified in paragraph 4.1 above can now be updated and summarised in Table 1(a) below.
- 4.6. The items highlighted in ***bold italic*** in the table have changed since the budget proposals report in January 2023. These are discussed later in the report and have resulted in a slight change to the Net Funding Requirement.

Table 1(a) – Projected Pressures 2024/25

	Budget 2024/25 £'000
Future cost of pay award	
- LG Staff	11,152
- Teachers	8,900
Impact of Teachers' Pay Award	
- 2022/23 1.5% Consolidated	1,900
- 2023/24 1.5% above budgeted	1,900
National Living Wage – pay bill	1,200
National Living Wage – contracts	3,000
Increase in Pension Costs	0
Increase in Teachers' Pension Costs	0
<i>Change to Inflation Provision</i>	-1,984
Remove use of Reserves to partially fund Energy Prices (short term)	9,100
Capital Charges – New scheme aspirations	0
Capital Charges – Temporary use of underspend	-2,040
Use of Capital Equalisation Reserve	-1,350
<i>Use of Other Reserves</i>	-6,329
<i>Contingency</i>	-2,527
Rebase ICT Cloud costs	500
Demographic & Service pressures	3,000
<i>Mid and West Wales Fire Authority Levy (independently decided by the Fire Authority)</i>	1,208
<i>Other Levies (Swansea Bay Port Health Authority and The Corporate Joint Committee)</i>	-26
<i>Council Tax Support Scheme</i>	2,200
MTFP Service pressures accepted	458
<i>New service pressures accepted</i>	13,174
<i>Partially reinstate 2023/2024 deferred savings</i>	717
Temporary One-off Additional Funding for Schools	7,029
Social Care extra money for Adult Services	2,500
Passed through AEF to Services	0
Total Funding Requirement	53,682
Savings Requirement	-24,924
Net Funding Requirement	28,758
<i>Aggregate External Finance increase</i>	16,408
<i>Council Tax increase (including tax base changes)</i>	12,350
Total Resource Investment	28,758

Inflation

- 4.7. The 2023/24 Revenue Budget provided a corporate provision of £20.330m for general inflation (£4.330m), energy inflation (£15.000m) and the cost of the Apprenticeship Levy (£1.000m). It is expected that the full £1.000m will be required for the Apprenticeship Levy, the latest estimate on general and energy inflation indicates that £15.681m will be required and the remainder of the provision will be retained to contribute to the new equal pay provision, if necessary.

UK inflation has fallen each month from February 2023 to November 2023, and although it increased again in December, this was a marginal increase. Forecasters expect inflation to fall further in 2024, however it will still be higher than four years ago, meaning there is still need for a sizeable central inflation provision, albeit lower than last year. Energy prices are expected to fall towards the end of 2024 but are expected to remain high initially.

After transfers to services and additional provision for expected Home to School Transport inflation, the remaining balance on the inflation provision will be reduced by £1.984m, meaning £9.089m will be available for general and energy inflation and £1.1m will be available for the Apprenticeship Levy in 2024/25. In addition to this national minimum wage contract increases (£3m) have been provided for within service budgets.

- 4.8. In the November 2015 Autumn Statement, the Chancellor first announced significant increases in the National Minimum wage. Whilst the actual increases will vary year to year there will be continued pressures. The rise anticipated for 2024/25 could affect direct employee costs. There is some uncertainty around the impact as the 2024/25 pay award is as yet unknown, however the latest estimate has been included above. It will also impact directly on wage costs of external contractors particularly in respect of contracted services within Social Services. It should also be noted that the local government finance settlement this year again places an expectation on local government to move to become an always better than living wage employer in own right and with targeted parts of contracted social care in the first instance. The pay policy will be considered at Council in March and those likely policy decisions on future national minimum pay levels to come, relative to general inflationary pay increases provided for, are already fully afforded within the overall budget envelope proposed. For the avoidance of doubt the pay policy proposals and decision to come will not likely need to be otherwise constrained by the budgetary position provided for.

Irrespective of increases in minimum wage, there is likely to be pressure from contracted areas in both Social Services care generally and Transport Services for elements of cost increases. These will need to be funded from the inflation provision allocated to both services as the need arises.

- 4.9. In his Autumn Statement presented to Parliament in November 2023, the Chancellor of the Exchequer made no reference to public sector pay and given the falling (but still high) levels of general inflation it can reasonably be

expected that pay rises will slow over the next 4 years. 5% has been provided for in 2024/25.

- 4.10. The Apprenticeship Levy is still held centrally on the general provision for inflation line as it is currently a cost that is in effect a corporate tax. This makes the total central provision for inflation just under £10.2m, although £1.1m of this is already fully committed for that levy.
- 4.11. As detailed below, it is assumed that any provision for increases in School pay budgets will be met directly from Schools' delegated budgets.

Schools Prioritisation

- 4.12. It remains the case that the forward financial plans for the Council will continue to show year on year savings requirements which are likely to be significant and sustained. Given the scale of savings required, it is inevitable that it will be impossible to exempt schools' budgets fully from longer term real terms cuts.
- 4.13. Budget movements can be viewed in two ways:
- Cash increases or reductions in levels of funding provided to Schools,
 - Real terms changes in Schools funding, taking into account known spending needs.
- 4.14. For 2024/25 there continues to be no Ministerial funding commitment to schools, although the provisional settlement does make it clear that the cost pressures in schools are specifically recognised by the Welsh Government and were a material factor in the overall settlement. It is intended to provide funding for various service pressures as a local priority for Cabinet. The late announcement by the Welsh Government has indicated that the additional funding of £14.4m to be included in the pan Wales RSG total is to support pressures in social care and education, including teachers' pay, as local need dictates. Cabinet had already provided additional funding for Schools and Social Care in anticipation of this and had prudently funded this from Council Tax in advance of the announcement.
- 4.15. The net result of these proposals is an increase in the cash settlement to Schools of just over £12m (6.4%) for 2024/25, which is considerably more favourable than the 3.66% increase in this Council's funding from Welsh Government. This has been possible due to use of reserves, meaning the bulk of this increase is temporary, for one year only.
- 4.16. This year the Welsh Government has amalgamated several pre-16 grants (eg Pupil Development Grant) into the new Local Authority Education Grant (LEAG). Overall, the grant available in 2024/25 has decreased marginally, however the effect of this on individual schools is not yet known. Post-16 funding has remained the same.
- 4.17. Table 1 (b) below sets out the effective impact of the core funding increase against expected funding pressures for Schools.

Table 1 (b) – Impact on Schools Delegated Budgets

Item	£'000	£'000
<i>Cash position</i>		
Gross core delegated base budget 2023/24		189,670
Increase for pay award - all staff	8,900	
Increase for shortfall in 2022/23 and 2023/24 pay wards – all staff	3,800	
Transfers previously agreed	128	
Total Pressures added		12,828
Schools contribution to reduced resources		-12,207
Core delegated base budget 2024/25		190,291
One-off temporary funding for 2024/25		7,029
Total delegated base budget 2024/25		197,320
Funding available for Energy costs		4,500
Total available for Schools 2024/25		201,820
		+6.4%

NB: The expected uplift for teachers' pension costs will be advised separately as soon as received and is currently excluded from the core budget as it is most likely to be a specific grant in 2024/25, given lateness of timing, is not currently known with sufficient certainty to anticipate as income and merely neutralises (on average) a cost to be passed on from government.

The above cash increase substantially covers most, but not all, of the known pressures for Schools, with energy costs continuing to be underpinned in 2024/25, and continues to support the enhancement of mainstream provision within schools as part of the existing education budget strategy.

There are no further delegated funding changes expected for 2024/25 and so the total school budget set out in Appendix H has increased by £12.150m for 2024/25 or 6.4% in respect of schools' core funding.

It remains the case, however, that substantial elements of Schools Funding (c£17m) are now being delivered via specific Grant (Local Authority Education Grant) which results in a substantial annual risk to overall School's funding which is not in the control of this Council.

Social Care Protection

- 4.18. Similarly, to Schools, the Welsh Government overall Revenue Settlement for 2024/25 no longer includes a protection or prioritisation of funding for social care. Although the settlement does make it clear that elements of Social Care pressures (pay) are recognised in the settlement.

Overall, the cash budget proposed for social services (including poverty & prevention) increases by around 8.9% or £14.0m.

Capital Financing Charges

- 4.19. There is a base line decrease of £2.04m compared to the 2023/24 approved budget recognising the fact that capital financing charges have been underspending in recent years due to the allocation of internal funds, and slippage on the capital programme. This underspend is forecast to continue into 2024/25 and so the budget has been reduced temporarily.
- 4.20. In line with the Treasury Management Strategy, a significant element of the Capital Financing Requirement has been met by the allocation of internal funds (internal borrowing). This is highly dependent on cash-flows of the Council and minimises capital costs to the Council whilst appraising the opportunities to externalise funding. That approach was vindicated by the historically low-cost borrowing secured by the S151 Officer in 2018/19 and 2021/22, which represents the cheapest borrowing ever secured by the Authority. In hindsight this strategy was well timed noting the effect of the post COVID-19 inflationary environment, we now find ourselves in with financing costs more than doubling in the interim.
- 4.21. The current market and inflationary environment, makes funding the capital programme even more challenging, alongside the more stringent PWLB guidance outlining what PWLB can and cannot be used for. The most economically / operationally advantageous form of borrowing shall be determined by the Section 151 Officer as cashflow and opportunities dictate, and could also include the following alternative sources of capital:
- Local authorities
 - Financial institutions
 - Municipal Bonds Agency

Furthermore, the authority has outlined a range of ambitious and challenging investment plans and opportunities in the shape of local choices to spend more on capital, the 21st Century Schools/Sustainable Communities for Learning programme, the continuing City Region Deal costs, City Centre redevelopment, and new housing plans, which are set out in the reports on Capital elsewhere on this agenda.

- 4.22. Whilst the short-term costs have been built into annual budgets to date, and forecast general fund capital borrowing requirements have been de-risked, as outlined above with PWLB borrowing, there remains a longer term requirement to anticipate additional capital financing costs because of the

scale of indicative future commitments. The authority continues to materially benefit from change to MRP policy which was approved by Council in December 2018.

- 4.23. The S151 officer has carefully considered the impact of the many variables and unknowns inherent in the funding of the presented capital programme (e.g. Brexit impact, volatility of markets, inflation, timing of City deal funding, variability of direct capital grant funding, impact of MRP review on equalising principal repayments in later years) and has sought to mitigate the impact of the funding of the capital programme on the revenue account with the establishment of the capital equalisation reserve. The utilisation of the reserve recognises the future obligations arising out of the committed capital programme whilst prudently mitigating that impact on the revenue account by adopting professional judgement in reserving appropriately at this time in the capital equalisation reserve, which has due regard to the Well-being of Future Generations.

Fire Authority, Corporate Joint Committee and Port Health Authority Levies

- 4.24. Since the 15th February 2024 Cabinet report we have been notified of the final Fire Authority Levy. This figure reflects an overall average 9.4% increase in the levy, this will mean an increase of 7.1% for Swansea, taking into account changes expected due to the relative allocation (population share) across each levied Authority. There is no change to the estimated figure included in the report to Cabinet. The levy for 2024/25 will be £18,329,571.
- 4.25. There has been a decrease in the Swansea Bay Port Health Authority Levy of 5.6%, the levy for 2024/25 has been set at £83,478 for Swansea.
- 4.26. There has also been a decrease in the relatively new Corporate Joint Committee levy of 10%, the levy for 2024/25 has been set at £191,188 for Swansea.

Council Tax Reduction Scheme

- 4.27. The Authority received a baseline adjustment to its Revenue Support Grant of £18.883m for 2014/15 which has been notionally included as part of all future settlements. The effect of this is that any future increases in Council tax levels would have to be discounted by any potential increases in Council Tax Support costs. Where appropriate the yield will also have to take account of any increase in Council Tax Support Costs arising from increases in the Council Tax applied by the South Wales Police Commissioner.

The effects of funding additional Council tax support have been taken into account when calculating the funding in respect of the overall budget shortfall highlighted in Table 1(a) in paragraph 4.6 of this report. This has been set at £2.2m for 2024/25.

Discretionary Rate Relief

- 4.28. The Authority is responsible for funding an element of any discretionary rate relief awarded to local businesses. No increase to this budget has been anticipated for 2024/25.

Service Pressures and Additional Investment

- 4.29. It can be seen from Table 1(a) above that there is a continued investment in pressures identified and approved as part of the budget process last year. In addition to this there have been a number of new pressures and new investment opportunities identified as part of this year's budget process. The funding of these items has been possible partly because there has been an increase in the settlement from the Welsh Government and partly through efficiencies (savings) made elsewhere within the Authority. Since the January 2024 report these pressures have been revised and the final list is shown in part 2 of Appendix D.
- 4.30. Following the announcement by the Welsh Government that additional funding would flow to Councils, Cabinet agreed that, by diverting Council Tax funding already provided for Education and Social Services, it would be possible to extend the Free Bus Offer at a cost of £400k. This has been included in Appendix D.
- 4.31. At the council meeting on 2nd March 2023 the decision was taken to defer savings to the value of £901k for one year. The savings have been reviewed in full and it has been concluded that savings totalling £184k can remain and will be progressed in 2024/25, but £717k will need to be reinstated. These are summarised in Appendix D.

5. Specific Savings Proposals: Update

- 5.1. As a strategy for determining its budget proposals, the Authority has, since 2013, used the principles embedded within '*Sustainable Swansea: Fit for the Future*' as a means of setting Council priorities, transforming services and addressing current and future deficits.

In November 2022 Cabinet approved a new transformation strategy – *Transformation Strategy 2022 and Beyond*. Under the banner of Successful and Sustainable Swansea Cabinet approved the current transformation programme in April 2023. The original plan contains seven service specific and five cross-cutting programmes and going forward budget savings will be linked to these programmes where they form part of the transformation for those services.

- 5.2. Savings have been allocated to the 12 transformation programmes as per the following table, not all programmes involve savings, and not all savings are part of transformation programme, some will be implemented just through 'business as usual'. The savings appendix (Appendix D) details the individual savings, the summary is:

Table 2 – Savings per Transformation Programme

Transformation Programme	Savings 2024/25 £'000
Child and Family Services Transformation	100
Digital Transformation Programme	49
Regeneration Programme	25
Transforming Adult Services	1,845
Transforming Additional Learning Needs	606
Right Schools in Right Places	7
More Homes Programme and Right Schools in Right Places	700
Business as Usual	9,385
Total Savings as per Appendix D	12,717
Schools contribution to reduced resources*	12,207
Total Savings Requirement	24,924

*Schools savings and pressures fall entirely to the delegated budgets and are shown separately as these are decisions for schools to take

- 5.3. The strategy as adopted underpinned the decision taken at the Council's Cabinet on 12th January 2024 to recommend specific savings proposals totalling £24.924m in 2024/25 for consultation. Cabinet on 15th February has now considered what changes to these proposals in light of the outcome of the consultation and further announcements by the Welsh Government, and these are set out in paragraph 6.5.
- 5.4. Details around the currently assumed proposals for Council Tax levels are shown in Section 9 of this report.
- 5.5. Details around use of the Council's Reserves, contingency and inflation provisions are shown in Section 8 of this report.

6. Outcome of Budget Consultation Process

Budget Consultation Results

- 6.1. The annual budget consultation ran from 12th January 2024 to 11th February 2024. A summary of the consultation results is attached at Appendix E.
- 6.2. The IIA process has been running continually through the budget process. The IIA report is attached as Appendix F. Cabinet will be kept updated on any potential issues that may arise as part of the budget implementation process.
- 6.3. Cabinet and Council will need to consider the response to consultation and the IIA report and demonstrate how we are taking account of the feedback.

- 6.4. Finally, Council is asked to note that, as part of the budget consultation process an account of the consultation responses will be placed on the Council's website.

Changes Proposed to the Budget in this Report

- 6.5. Following consultation and announcements by the Welsh Government, Cabinet decided to make a number of changes to the recommended budget at that stage. Council will now need to consider whether it is minded to make any further changes to the final proposals for the 2024/25 budget. The changes proposed by Cabinet are summarised as:
- Estimated increase in AEF £1.1m
 - Extend Free Bus Travel Offer at a cost of £0.4m
 - Provide for replacement of Schools ICT Reserve over a number of years £0.7m annually.

7. Staffing Implications

Background

- 7.1. The Cabinet Report of 12th January 2024 set out the latest estimate (**work on this is continuing and the number is likely to change**) of the impact of the current proposals on total staffing numbers for 2024/25, these are shown in **Table 3** (shown as Full Time Equivalents (FTEs))

Table 3 – Potential Impact of Savings Proposals on FTEs 2024/25

Potential Headcount Reduction (including vacant posts, redundancies and volunteers for ER/VR)	Headcount Number
Finance	3
Corporate Services	8
Place	5
Education (excluding schools)	6
Social Services	6
Total	28
Indicative schools figure	FTEs
Schools	TBC

- 7.2. The Council will remain committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies.
- 7.3. Trade Unions will be consulted on budgetary proposals and the S188 letter was issued on 12th January 2024. Consultation formally commenced on 12th January and will last for a minimum of 30 days.
- 7.4. It should be noted that consultation will be undertaken on a rolling basis outside the normal budget cycle, as the outcomes from commissioning and other reviews are presented to Cabinet. Consequently, in some Service

Areas, it was not possible at the time of the formal meetings with the Trade Unions to give details of the precise impact on staff and the figures quoted were, therefore, overall estimates. Future meetings with Trade Unions will be used to provide more detail when this becomes available as future options are agreed.

- 7.5. A reduction in posts in 2024/25 will be unavoidable, given that the Council spends just over 50% of its overall budget on employees (significantly more in some Service Areas) and the national pay award remains unknown whilst inflation remains high and will have to be funded from the Council's own resources.
- 7.6. As achieved and evidenced in previous years, and continuing the Council's current policy, every effort will be made to minimise compulsory redundancies. Management action includes:
- *Tight management of vacancies so that we manage the deletion of posts via natural wastage over time,*
 - *The use of fixed term appointments where a post needs to be covered,*
 - *Stopping the use of agency staff unless a clear business case can be made,*
 - *Redeployment and retraining wherever possible,*
 - *Further encouragement of staff to consider ER/VR options, including bumped redundancies,*
 - *Encouraging staff to work flexibly e.g. reduce hours or job share,*
 - *Flexible retirement.*
- 7.7. The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings in Corporate Services, Education and Social Services.

Issues

- 7.8. Consultation will take place with the Trade Unions as required and any issues raised will be considered.

Based on current information it is anticipated that there will be some changes to the staffing figures as a result of:

- ERVR applications
- Not filling vacant posts
- Flexible Working requests, i.e. reduced hours
- Flexible Retirement
- Redeployment
- Bumped redundancies
- Residual very limited risk of compulsory redundancies but work to mitigate this to the absolute minimum continues.

These figures will be updated on an ongoing basis.

- 7.9. HR & OD are constantly working with redeployees to secure them alternative positions. Employees at risk, i.e. those who have not been served notice, can also be considered for redeployment, where applicable.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director and CMT approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

Consultation Period and Notice Periods

- 7.10. In the event of organisational change that impacts on employees, the formal consultation period will last for a minimum of 30 days, although formal consultation meetings with staff and Trade Unions will continue as and when necessary.

Assuming that Council approves the budget, it will be after this date that the workforce implications of the budget can be implemented.

After any redundancy selection process has been completed, displaced staff will then be served with their contractual notice that could range from a 4 week period up to 12 weeks, which depends on the employee's length of service. As indicated above there is no expectation at this stage that the budget in itself should cause any material compulsory redundancies.

8. Reserves and Contingency Fund Requirement

Background

- 8.1. It is a requirement of the Local Government Finance Act 1992 that authorities have regard to the level of reserves when calculating their Budget Requirement. Whilst there is no prescribed statutory minimum level of reserves, account should be taken of the strategic, operational and financial risks facing the Council.
- 8.2. In assessing the adequacy of reserves account needs to be taken of the following general factors:
- treatment of inflation and interest rates,
 - level and timing of capital receipts,
 - treatment of demand led pressures,
 - expected performance against challenging budget requirements,
 - treatment of planned efficiency savings / productivity gains,
 - financial risks inherent in major capital developments and funding,
 - the availability of reserves, government grants and other funds,
 - general financial climate to which the authority is subject.
- 8.3. The Section 151 Officer continues, as set out below, to view General Reserves as already being at the absolute minimum safe level. Furthermore, as the revenue budget continues to grow, the relative value and thus acceptability to the Section 151 Officer of the already low absolute level of General Reserves diminishes further, albeit mitigated to some extent by the

level of earmarked reserves. Any consideration on use of reserves to fund the 2024/25 Revenue Budget is dependent on the level of confidence in predicting 2023/24 Revenue Outturn and the overall draw from those reserves. At present it remains the case therefore that there should ordinarily be no planned use of general reserves for any future budgets and indeed an expectation of the Section 151 Officer that longer term, General Reserves will need to be bolstered to maintain their relative value when compared to the overall growth in budgets and risks and uncertainties faced.

Setting the level of reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy i.e. it is more than a short term decision.

- 8.4. In considering reserve levels Members should have specific regard to:-
- The report of the Section 151 Officer to Council on 7th December 2023 'Review of Revenue Reserves'
 - The guidance issued by Welsh Government and circulated to all Members advising on methods that might be employed when reviewing the overall reserves of the Council.

General Reserves

- 8.5. The General Reserve amounted to £10.000m at 1st April 2023.
- 8.6. The Revenue Budget for 2023/24 approved by Council on 2nd March 2023 assumed no transfer from General Reserves and there is no movement in the General Reserve currently expected during 2023/24, although any final determination on the use of reserves will depend on the outturn position for 2023/24.
- 8.7. In the opinion of the S151 Officer the level of the General Reserve is currently at the very minimum recommended level and as such there is no assumed transfer from the reserve to support the 2023/24 budget.

Therefore, the level of General Fund balances estimated at 31st March 2025 would be £10.000m.

Longer term the Section 151 Officer expects there to be a need to increase General Reserves to maintain their relative and proportionate value as revenue budgets and risks and uncertainties grow significantly.

Contingency Fund

- 8.8. The 3rd quarter financial monitoring report details several forecast uses of the Contingency Fund in 2023/24. At this time, it is anticipated that the original £6.118m 2023/24 budgeted contribution will be expended and/or used to fund the Council's final outturn position, including a contribution to the creation of a new equal pay provision. Given the overall position as forecast in the 3rd quarter budget monitoring report for 2023/24 considered elsewhere on this agenda, the forecast Fund balance as at 31st March 2024 is subject to final confirmation on outturn, but is currently expected to be nil.

- 8.9. In assessing the value of the Contingency Fund requirement in 2024/25, the following potential requirements are relevant:
- The risks and issues detailed in Section 11 below.
 - The need to provide a substantial potential source of finance for repeated potential overspending in services given past performance, bearing in mind the Council has now likely exhausted all other Earmarked Reserves.
 - The continuing uncertainty for Public Finances as set out in the Cabinet report on 12th January and summarised in the MTFP report elsewhere on the agenda.
 - The expectation that any emerging additional inflationary pressures beyond the large already budgeted items (National Living Wage, pay awards and energy costs) should be a lower risk to the contingency fund in 2024/25.
- 8.10. Bearing the above in mind, together with the proposals in respect of funding current year service pressures within the 2024/25 base budget, and the reduced risk of repeating overspending from 2023/24 it is now recommended that the contribution to the base budget Contingency Fund in respect of 2024/25 is reduced by £2.550m to £3.568m depending upon any further budget decisions Council is also minded to recommend. There will undoubtedly be a need to amend Contingency in light of the final settlement being announced, this is expected to be necessary, but minimal. Again, this is considered the absolute minimum range necessary to be maintained in light of the likely risks and issues facing this Council.
- 8.11. Past experience has shown that whilst it is extant Council policy that any reduction in specific grant should be met from an equal reduction in service expenditure, there is often a lag between loss of grant and reduction in costs/change in service levels.

It is also clear that in respect of some specific grants any reduction in associated expenditure may have a detrimental effect in meeting service targets with a consequential increase in future financial penalties.

There are no remaining reserves specifically to protect against grant losses so any reductions will fall firstly to the Service department to manage or if significant will have to be considered for funding from the Contingency Fund.

Earmarked Reserves

- 8.12. The Council retains earmarked reserves for specific purposes. The reasons for holding these reserves are documented and are subject to ongoing review and scrutiny. The forecast transfers to and from reserves are summarised in Appendix C. There are continuing material draws, as planned, from the time limited reserves for Social Services and Place.
- 8.13. On 7th December 2023 Council received and approved a report detailing a formal review and re-allocation of Earmarked Revenue Reserves. This report

recommended re-allocating the Restructure Reserve as a Transformation Reserve as Cabinet agreed in April 2023 to fund the Workforce and OD Transformation Reserve from here.

- 8.14. From the usual list of specific grants announced by the Welsh Government for 2024/25 it appears that where there are reductions or freezes to grants these will have a significant impact on Swansea as a freeze will mean substantial real-terms cuts. These grant offers are still emerging, so the position is being monitored closely, it is likely there will be further staff impact and timing delays may need to be funded from reserves, should they be too substantial for services to cover.

Review of Insurance Fund

- 8.15. Following a review of the insurance fund, the level of the sums set aside to provide for future claims which are not known or only partly known at this time are thought to be adequate. Such claims can be very significant and can relate to past periods going back many years. So other than those draws agreed in the March 2023 report to Cabinet for Highways Infrastructure Assets, there will be no further draws from the insurance fund in the short term.

Adequacy of Reserves

- 8.16. Whilst the proposed use of Earmarked Reserves in 2024/25 funds one off and some recurring expenditure, taking into account the level of General and Earmarked Reserves which would be available should there be an overriding financial requirement, and the arrangements in place to monitor and manage financial risk in 2024/25 and future years, I am satisfied that the proposed management of reserves in 2024/25 will result in a forecast level of General Reserves, Earmarked Reserves and Provisions which may be considered adequate, subject to the potential financial implications of the risks described in Section 11 below and the final budget proposals recommended by Cabinet to Council.
- 8.17. Given the considerable risks and uncertainties facing the Council in 2024/25 and future years, it remains my advice as the officer designated with responsibility for the overall finances of the Council that the above represents reasonable prudent financial management having due regard to service pressures and funding constraints. Nevertheless, increasingly the risks associated with the budget, especially any non-deliverability in practice of planned savings remains very pronounced. This is especially important when viewed in the context of draws from General Reserves in 2017/18 and Earmarked Reserves in 2018/19, which cannot be repeated. Put simply and bluntly both those routes are now all but fully exhausted going forward and Council will have to consider some or all of the following in future years:
- Service reductions,
 - Reductions in future capital aspirations,
 - Further council tax increases each year,

- Some short term draws from the earmarked reserves set up to manage budgets through to 2028/29, but with an explicit acceptance and understanding that these are one off mitigations only to enable longer term adjustment to the highly likely tighter public sector funding environment.

9. Budget Requirement and Council Tax 2024/25

- 9.1. The Council's recommended requirement is set out in Appendix A. The City and County of Swansea Requirement of £588.710m will be financed partly by Revenue Support Grant of £346.446m and Non-Domestic Rates of £88.244m.

In light of ongoing uncertainties over the final RSG, final levies, specific grants, the continuation or otherwise of emergency economic support schemes, potentially unfunded excess costs of future pay awards and the long term capital spending aspirations set out in the Medium Term Financial Plan, the S151 Officer continues to be of the opinion that council tax for 2024/25 could prudently sit within a range of 3.00% to 7.00%, balancing affordability and the cost of living crisis today with the attendant growing risks and uncertainties of tomorrow and having due regard to the wellbeing of future generations.

Based on the report to Cabinet on 12th January 2024, and in line with assumptions contained in the Welsh Government's spending assessment for Swansea, a Council Tax rise of 5% would have generated a sum of £10.900m including assumptions on the council tax base. This is a band 'D' charge of £1,626.49.

Following consultation, it is proposed that Council Tax is increased by 5.99%, this sits within the range considered prudent by the S151 Officer and is based on requiring 4.99% for costs directly controlled by the Council, plus 1% to cover the expected increase in the Fire Authority Levy. This will generate a sum of £12.350m, a band D charge of £1,641.95.

This remains provisional pending the final local government finance settlement which is expected on 28th February (subject to confirmation) and it is envisaged that as long as there are no material changes at final settlement that this can be contained within the margins of error in the assumptions and estimates already used in this report and accommodated by adjusting contingency. Council will be advised of the final settlement figure before making a final determination on budget and Council Tax and any implications it may have to take into account.

- 9.2. Including Community Councils, the total requirement, after taking account of proposals in respect of reserve transfers and currently assumed savings, is £590.916m.
- 9.3. The above proposals are based on an indicative Council Tax rise which is within the range of planning assumptions of the Medium Term Financial Plan.

10. Summary of Funding 2024/25

- 10.1. The implications of Sections 4, 5, 6, 7 and 8 above, together with the assumed 5.99% rise in Council Tax identified in Section 9 above, results in a forecast additional funding of £53.682m in 2024/25 as detailed in Table 4:

Table 4 – Budget Proposals 2024/25

	£'000
Savings Requirement as per Table 1(a)	24,924
Net effect of Council tax base increase and proposed charges	12,350
Aggregate External Finance increase	16,408
<hr/>	
Overall resourcing	<hr/> 53,682 <hr/>

- 10.2. The S151 Officer is satisfied that the budget proposals detailed in this report represent a realistic and achievable financial plan for 2024/25 subject to the potential financial implications of the risks described in Section 11 below.

11. Assessment of Risks and Uncertainties

- 11.1. As in previous years, there are a number of potential costs which have been considered in the context of the budget proposals. In particular:

(a) Implications of Specific 2023/24 Overspends

The 3rd quarter financial monitoring report, discussed elsewhere on this agenda, highlights a number of service overspends, predominantly driven by pressures in social care, home to school transport and waste management. It is anticipated that sufficient funding has been built into the base budget for 2024/25 to mitigate the pressures. For any items over and above this, then adjustment via the Contingency Fund will have to be made for any items that are seen to re-occur.

(b) Unavoidable Spending Requirements

All services will need to meet a range of additional/new pressures in 2024/25. These include the implications of new legislation; demographic changes; final completion of the single status appeals process; and other requirements including heightened inflationary risks in pay and prices in all areas. Whilst reasonable provision has been made for these costs, there is a risk that some items will result in overspends. In particular it has previously been the case that the cost of pay protection arising out of single status implementation can be funded centrally, going forward any and all costs that arise as a result of the appeals process will have to be met from within specific existing Directorate budgets.

(c) Savings

It is essential in terms of the financial challenges facing the Council beyond 2024/25 that further savings proposals are continuously developed as part of the *Successful and Sustainable Swansea* programme, and are **implemented over and above those proposed within this budget to provide some future headroom**. This will be a continuation of plans already underway and specifically include existing and the next waves of reviews which **must be rapidly turning recovery plans and assumptions into delivered reality, otherwise service savings will fail to be delivered and net spending pressure return to service budgets for which immediate corrective action will be required**.

The 2024/25 budget includes savings targets which must be fully achieved. **It is a fundamental requirement of the Council's financial procedure rules that Responsible Officers are required to manage expenditure within approved budgets of the Council and to that extent it is essential, should specific proposed budget savings be delayed or postponed, that alternative savings are fully achieved in year to meet approved Directorate Budgets**.

Given the nature and scale of the savings challenge during 2024/25, and more importantly further beyond, there will be continued monitoring and tracking of progress in achieving budget savings which will be reported to Corporate Management Team, Transformation Board and Cabinet through our usual performance and budget monitoring processes.

As noted above, further proposals will be brought to Cabinet during the year as necessary.

(d) Inflation

Where there have been specific announcements around minimum wage increases an estimate has been included around the potential additional costs that may fall to the Council from external contractors. Budgets for Energy costs have been transferred to services (Place and Schools), and as headline inflation has fallen considerably from this time last year a small reduction to the remaining provision has been made. Inflation still remains high and is still a concern for the Council.

(e) Care Home Fees

Budget provision has been made for the 2024 contract settlement with care home providers. However, it is likely that fees will need to be further monitored given that the Council has to undertake an annual review of payments to care home providers which must be robust and evidenced – see specific provision for inflation above.

(f) Specific Grants

In the increasingly likely event that the level of specific grants awarded for 2024/25 is less than that for 2023/24, it is essential that Directorates take action to manage such reductions within the proposed spending limits – i.e. there is no ongoing corporate provision for meeting such shortfalls. There is a clear expectation that expenditure will be cut to match the level of grant.

It is, however, acknowledged based on past experience that where specific grants are reduced there may be a time lag between reduction in funding and the Council's ability to reduce costs. It is equally clear that in some areas currently funded by specific grant the Council will, for operational or service reasons, wish to maintain expenditure. Any future bids for funding to cover loss of specific grants will have to be made against the already pressured contingency fund.

(g) Equal Pay Back Payments

The bulk of equal pay claims both in number and value have now been fully settled. However, legislation is such that further claims cannot be precluded although the introduction of the compliant pay and grading structure from 1st April 2014 will significantly lessen risk in this area over time.

Following widespread reporting of financial pressures especially in England, a review of equal pay claims is being carried out (in line with all other councils). Whilst it is early to definitively say a provision is needed, or for how much, this Council has prudently set aside a fully funded provision for equal pay during 2023/24.

(h) Implementation of Single Status

Whilst the Council implemented a compliant pay and grading structure from 1st April 2014, there has been a continuing small number of appeals against grades awarded. Where these appeals have been successful, it will lead to additional costs over and above the grade initially allocated including incremental costs over a period of up to five years, of which 2018/19 represented the last year and effectively this risk has now materially dropped out since 2019/20 but a minor residual one remains.

(i) Council Tax Reduction Scheme

Provision has been made for the estimated costs which are now linked directly to any proposed increases in Council Tax Levels.

(j) COVID-19 and COVID-19 Grants

Whilst Services are now operating business as usual there is still an ongoing impact from Covid for example where income levels have not recovered fully. There is no longer any form of grant funding available for Covid, and so any

losses will need to be funded from within existing budgets initially and from the Contingency Fund otherwise.

(k) Capital Financing Charges

There is a risk that the funding ask (in respect especially of additional unsupported borrowing) highlighted in the Capital Budget report elsewhere on the agenda will result in additional charges over and above the agreed budget provision.

The report on the Capital Programme for 2024/25 – 2028/29 elsewhere on this agenda highlights specific actions that need to be taken to mitigate against future increases in revenue costs linked to increases in unsupported borrowing and further externalisation of current debt. The risks of course are heavily mitigated by having externalised all anticipated medium term traditional capital borrowing requirements for the General Fund.

In additional mitigation, there was a report to Council on 20th December 2018 in respect of the formal review of the Minimum Revenue Provision. This has the benefit of reducing capital financing charges in the short to medium term, albeit at the expense of increases in the medium to longer term, before once again reducing in the very long term. These shorter-term fluctuations have been built into the budget for 2023/24 and beyond but appropriate use of the Capital Equalisation Reserve smooths future cost pressures.

The low interest rate and bond yield environment has resulted in historically low interest rates available from the PWLB in the past few years, which the Authority has previously already taken advantage of in funding its capital financing requirement. Although the PWLB have removed the 1% penalty premium on new local authority borrowing (subject to certain criteria), the overall material increases in interest rates over the past year means consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities
- Financial institutions
- Municipal Bonds Agency
- Deferral of borrowing and material drawdowns of own cash backed reserves, especially the Capital Equalisation Reserve, in the mean time

The degree which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing, but the Section 151 Officer is delegated to identify the most economically advantageous funding and timing option.

11.2. The above risks are both substantial and potentially significant in value. Therefore during 2024/25 specific actions are being put in place which will involve:

- Monthly monitoring of specific savings targets against an agreed implementation timetable in order to identify any slippage and

appropriate and equivalent compensating budget savings through the existing performance and finance management process.

- Ensuring compliance with the Council's Financial Procedure Rules, which require Responsible Officers to manage budgets within the limits set by Council.
- The impact of any changes to specific grant funding streams.

12. Integrated Impact Assessment Implications

12.1. 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.

12.2. 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".

12.3. 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.

12.4. We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that we continue to focus on mitigation wherever possible. In this context the following should be noted:

- Where IIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration,
- for those IIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed,
- the outcomes of engagement will inform IIAs,

- this is an ongoing process and as noted this statement and many IIAs will remain open for varying periods of time,
 - there is a focus on the council doing things differently in order to further deliver services that are flexible, citizen-centred, meet individual needs and are sustainable for the future.
- 12.5. The council continues to deliver a wide range of services for all the citizens of Swansea. Many of these are of particular benefit to the areas covered by our IIA process, e.g. the protected characteristics defined within the Equality Act 2010.
- 12.6. As highlighted in Appendix F, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this challenging commitment given the financial constraints it faces. However, services may be provided in a different way in line with the 'Successful and Sustainable Swansea Corporate Transformation Plan'.

13. The Medium Term Financial Plan (MTFP) 2025/26 – 2027/28

- 13.1. Many of the issues identified in this report have implications for future years. The MTFP report elsewhere on the agenda includes an assessment of likely shortfalls in future years and outline proposals for achieving savings.

14. Legal Implications

- 14.1. The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

Background Papers: None

Appendices:

Appendix 'A' Revenue Budget Summary 2024/25
 Appendix 'B' Net Directorate Budget Proposals
 Appendix 'C' Earmarked Reserves
 Appendix 'D' Specific Savings Proposals and Service Investment
 Appendix 'E' Summary of Consultation Responses
 Appendix 'F' Integrated Impact Assessment Statement
 Appendix 'G' Response of the Schools' Budget Forum
 Appendix 'H' Directorate Budgets

REVENUE BUDGET SUMMARY 2024/25		APPENDIX A	
<i>DIRECTORATE</i>	ORIGINAL BUDGET 2023/24 £'000		ORIGINAL BUDGET 2024/25 £'000
CORPORATE SERVICES	21,440		22,642
FINANCE (Including COUNCIL TAX REDUCTION SCHEME)	33,738		35,088
SOCIAL SERVICES (Including POVERTY AND PREVENTION)	156,975		171,001
EDUCATION	24,807		25,249
EDUCATION - DELEGATED TO SCHOOLS PLACE	189,670		201,820
	62,681		74,080
			0
<i>NET DIRECTORATE EXPENDITURE</i>	489,311		529,880
SPECIFIC PROVISION FOR INFLATION / APPRENTICESHIP LEVY	20,330		10,189
<i>OTHER ITEMS</i>			
<i>LEVIES</i>			
SWANSEA BAY PORT HEALTH AUTHORITY	89		84
CORPORATE JOINT COMMITTEE	212		191
<i>CONTRIBUTIONS</i>			
MID & WEST WALES COMBINED FIRE AUTHORITY	17,122		18,330
<i>CAPITAL FINANCING CHARGES</i>			
PRINCIPAL REPAYMENTS	15,574		15,574
NET INTEREST CHARGES	23,360		21,320
<i>NET REVENUE EXPENDITURE</i>	565,998		595,568
<i>MOVEMENT IN RESERVES</i>			
GENERAL RESERVES	0		0
EARMARKED RESERVES	-6,464		-7,276
<i>TOTAL BUDGET REQUIREMENT</i>	559,534		588,292
DISCRETIONARY RATE RELIEF	418		418
<i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i>	559,952		588,710
COMMUNITY COUNCIL PRECEPTS	1,829		2,206
<i>TOTAL REQUIREMENT</i>	561,781		590,916
<i>FINANCING OF TOTAL REQUIREMENT</i>			
REVENUE SUPPORT GRANT	339,280		346,446
NATIONAL NON-DOMESTIC RATES	79,002		88,244
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	141,670		154,020
COUNCIL TAX - COMMUNITY COUNCILS	1,829		2,206
<i>TOTAL FINANCING</i>	561,781		590,916
<i>COUNCIL TAX BASE for the City and County of Swansea</i>	91,454		93,803
<i>COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea</i>	1,549.08		1,641.95
<i>GENERAL RESERVES</i>			
AT 1 APRIL	10,000		10,000
AT 31 MARCH	10,000		10,000

REVENUE BUDGET 2024/25							
NET DIRECTORATE BUDGET PROPOSALS							
	Corporate Services	Finance (Including Council Tax Reduction Scheme)	Social Services (Including Poverty and Prevention)	Education	Education - Delegated to Schools	Place	Total
	£000	£000	£000	£000	£000	£000	£000
Original estimate 2023/24	21,440	33,738	156,975	24,807	189,670	62,681	489,311
Directorate Transfers	0	0	0	0	0	0	0
Original estimates following transfers	21,440	33,738	156,975	24,807	189,670	62,681	489,311
Transfer to (+) / from (-) reserves 2023/24	0	0	-2,700	53	0	-835	-3,482
Original estimate 2023/24 excluding reserves	21,440	33,738	154,275	24,860	189,670	61,846	485,829
Transfers for specific items 2023/24	0	0	0	0	0	0	0
Baseline adjustments 2023/24	-124	0	1,050	984	0	90	2,000
Adjusted service budgets 2023/24	21,316	33,738	155,325	25,844	189,670	61,936	487,829
Baseline adjustments 2024/25	70	0	106	-160	128	4,417	4,561
Spending Needs	1,161	2,430	14,230	747	11,529	3,827	33,924
Pay inflation provision	992	550	4,685	1,060	12,700	4,965	24,952
Savings:							
Specific proposals	-897	-1,630	-6,045	-2,189	-12,207	-1,956	-24,924
Original estimate 2024/25 excluding reserves	22,642	35,088	168,301	25,302	201,820	73,189	526,342
Transfer to (-) / from (+) reserves 2024/25	0	0	2,700	-53	0	891	3,538
Net Directorate budgets 2024/25	22,642	35,088	171,001	25,249	201,820	74,080	529,880

APPENDIX B

REVENUE BUDGET 2024/25

EARMARKED RESERVES

	Balance 31/03/23 £000	2023/24 £000	Balance 31/03/24 £000	2024/25 £000	Balance 31/03/25 £000
DIRECTORATE RESERVES					
Equalisation reserves	-23,386	0	-23,386	1,350	-22,036
Commuted sums	-8,025	253	-7,772	130	-7,642
Repair & renewal funds	-2,311	-200	-2,511	-235	-2,746
Profit share	-1,694	-66	-1,760	-66	-1,826
Service reserves	-38,681	6,055	-32,627	9,525	-23,102
TOTAL DIRECTORATE RESERVES	-74,096	6,042	-68,055	10,704	-57,351
CORPORATE RESERVES					
Contingency Fund	0	-4,764	-4,764	-3,591	-8,355
Insurance	-20,427	0	-20,427	0	-20,427
Job Evaluation earmarked	0	0	0	0	0
Transformation/Efficiency	-33,823	19,390	-14,433	144	-14,289
TOTAL CORPORATE RESERVES	-54,251	14,627	-39,624	-3,448	-43,071
UNUSABLE/TECHNICAL RESERVES	-2,815	19	-2,795	19	-2,776
SCHOOLS DELEGATED RESERVES*	-20,155	0	-20,155	0	-20,155
TOTAL RESERVES	-151,317	20,688	-130,629	7,276	-123,353

* There is no updated information available for schools for 2023/24 or 2024/25. However reserve use is expected to be substantial during both 2023/24 and 2024/25 (up to £10m)

In addition to the above, there will be draws from both the Capital Equalisation Reserve and the Insurance Reserve to fund Highways Capital works (up to £5m over 2 years)

Again in addition to the above, there could be further draws from the Capital Equalisation Reserve for future potential capital acquisitions

The Quarter 3 Monitoring Report highlights the possibility of an overspend in the region of £3m - £4m, this could be a further draw if not resolved

Part 1 – Savings Proposals

Director	Head of Service Budget	Description	Savings 2024/25 £'000	Transformation Project
Corporate Services	Communication Service	Restructure Corporate Marketing	62	Business as Usual
Corporate Services	Communications Service	Standardise official driver employment terms	17	Business as Usual
Corporate Services	Communications Service	Restructure corporate support services (Delete 0.5 vacant post)	22	Business as Usual
Corporate Services	Communications Service	Restructure corporate support services (Delivery Unit))	60	Business as Usual
Corporate Services	Communications Service	Restructure corporate support services (Policy & Development Support)	62	Business as Usual
Corporate Services	Digital and Customer Services	Remove surplus training budget	15	Business as Usual
Corporate Services	Digital and Customer Services	Mobile Phone saving	16	Digital Transformation Programme
Corporate Services	Digital and Customer Services	Licences saving	33	Digital Transformation Programme
Corporate Services	Digital and Customer Services	No renewal of RecordPoint Licences Contract	48	Business as Usual
Corporate Services	Digital and Customer Services	Restructure digital project management team	55	Business as Usual
Corporate Services	Digital and Customer Services	Contracts saving	290	Business as Usual
Corporate Services	Director	Non-staff spend savings (different ways of working)	39	Business as Usual
Corporate Services	Director	Reduce expenditure on senior management as part of review	45	Business as Usual
Corporate Services	HR & Service Centre	Pay inflation increase to Schools WOD SLA	25	Business as Usual
Corporate Services	Legal Democratic Services & Business Intelligence	Pay inflation increase to Legal SLA	7	Business as Usual
Corporate Services	Legal Democratic Services & Business Intelligence	Restructure corporate support services (Cabinet)	36	Business as Usual

Director	Head of Service Budget	Description	Savings 2024/25 £'000	Transformation Project
Corporate Services	Legal, Democratic Services & Business Intelligence	Removal of surplus budget from Welsh Translation Unit budget	65	Business as Usual
		Corporate Services Total	897	
Education	Non-Delegated	Increase rent for caretakers' houses	1	Business as Usual
Education	Non-delegated	Cost recovery of project officers for capital schemes	7	Right Schools in Right Places
Education	Non-delegated	Reduced staff hours in Management Systems Team	10	Business as Usual
Education	Non-delegated	Review of broadband contract for schools	15	Business as Usual
Education	Non-delegated	Reduce cost centre for historical pensions	20	Business as Usual
Education	Non-delegated	Business support review	21	Business as Usual
Education	Non-Delegated	Review of ALN transport - minibus pilot	25	Transforming Additional Learning Needs
Education	Non-delegated	Rationalisation of post-16 transport, reflecting reduced demand	30	Business as Usual
Education	Non-delegated	Offset salary costs in School Improvement Team	32	Business as Usual
Education	Non-delegated	New online payments provider for school meals	35	Business as Usual
Education	Non-delegated	Delete absence management officer post from structure	48	Business as Usual
Education	Non-delegated	Independent and out of county school contracts	50	Business as Usual
Education	Non-Delegated	Better targeting of Education otherwise than at school (EOTAS) spending following full implementation of new model of provision	150	Transforming Additional Learning Needs
Education	Non-Delegated	Enhance in County provision reducing out of county costs	431	Transforming Additional Learning Needs
Education	Non-Delegated	Continuing review and rationalisation of the directorate.	600	Business as Usual
Education	Non-Delegated	Increase charge to clerk school governing body meetings	1	Business as Usual
Education	Non-Delegated	Increase charge to schools for Home Tuition	5	Business as Usual
Education	Non-Delegated	ALN equipment for schools	25	Business as Usual

Director	Head of Service Budget	Description	Savings 2024/25 £'000	Transformation Project
Education	Non-Delegated	Transfer Health and safety budget and hold provision corporately	74	Business as Usual
Education	Non-Delegated	Increase Cleaning SLA charges for schools	100	Business as Usual
Education	Non-Delegated	Transfer Schools at Risk budget and hold provision corporately	109	Business as Usual
Education	Non-Delegated	Increase charges for Catering service and SLA for schools	400	Business as Usual
		Education (Non-Delegated) Total	2,189	
Finance	CTRS	Further CTRs savings on top up to another 10%	40	Business as Usual
Finance	CTRS	Rebase Council Tax Reduction Scheme	1,400	Business as Usual
Finance	Directorate	Miscellaneous budget reductions/efficiencies	97	Business as Usual
Finance	Revenues and Benefits	Accelerate agreed Revs and Benefits changes	93	Business as Usual
		Finance Total	1,630	
Place	Building Services	Additional income generation through significantly increased work programme	700	More Homes Programme and Right Schools in Right Places
Place	Cultural Services (Foreshore income generation)	Increase fees and income targets in line with inflation	10	Business as Usual
Place	Cultural Services (Leisure)	Resume 'bid' payment reductions for Leisure partner	300	Business as Usual
Place	Cultural Services (Libraries)	Reduce the Library staffing budget to reflect current staff turnover	179	Business as Usual
Place	Cultural Services (special events)	Do not progress the additional proposed new Christmas Light show event as now established at Margam park.	60	Business as Usual
Place	Directorate	Review Place management structure on completion of Council JE scheme review	60	Business as Usual
Place	Highways & Transport	Increase charges and income from Marina and Knab Rock In line with inflation	20	Business as Usual
Place	Highways & Transport	Increase street works and licencing fees annually in line with inflation	25	Business as Usual
Place	Highways & Transport	Review Parking Services Team	25	Business as Usual
Place	Highways & Transport	Additional Energy saving from implementing LED lamps from extra investment	30	Business as Usual

Director	Head of Service Budget	Description	Savings 2024/25 £'000	Transformation Project
Place	Highways & Transport	Operate an Additional Parking Enforcement camera car	43	Business as Usual
Place	Highways & Transport	Activate bus lane and other moving traffic offences camera enforcement at Junctions to assist in reducing traffic congestion and commuter delays	150	Business as Usual
Place	Housing & Public Health	Increase in Fee Income for Animal Licensing (food safety)	5	Business as Usual
Place	Housing & Public Health	Increase Food Safety and Trading Standards Fees by 15%	5	Business as Usual
Place	Housing & Public Health	Increase pest control fees to 15% for schools' contract and general pest control	5	Business as Usual
Place	Housing & Public Health	Review Public Health Service	6	Business as Usual
Place	Housing & Public Health	Reduction in number of air quality monitoring sites across Swansea & associated maintenance/servicing of equipment from end-of-life system	10	Business as Usual
Place	Housing & Public Health	Remove surplus security budget for cemeteries and crematory	11	Business as Usual
Place	Housing & Public Health	Increase in Fees for next 4 years Building Control (in accordance with Land Authority Building Charges Regulations 2010)	24	Business as Usual
Place	Housing & Public Health	Increase fees for registrars over the next 4 years by 5% annually.	32	Business as Usual
Place	Housing & Public Health	Increase fees for burials and Cremations over the next 4 years by 5% annually.	137	Business as Usual
Place	Planning	Increase Land Charges Income	5	Business as Usual
Place	Planning	Increase Planning Fee Income	25	Regeneration Programme
Place	Planning	Revise Swansea Market Rent Charges	50	Business as Usual
Place	Planning and Regeneration	Review Nature Conservation, Regeneration, Economic Development, & Planning sections	39	Business as Usual
		Place (Total)	1,956	
Social Services	Adult Integrated Services for Older People	Through contract efficiencies review the council payments and contributions for third party top up fees in residential care settings where alternatives care homes are available	50	Transforming Adult Services

Director	Head of Service Budget	Description	Savings 2024/25 £'000	Transformation Project
Social Services	Adult Integrated Services for Older People	Further remodelling in line with delivery of WG policy for a Healthier Wales and the rebalancing policy commitment. Ensuring appropriate levels of investment from WG and Health Board. Ensure S33 arrangement for intermediate care has equitable contributions. For Year 1 of the s saving target this is about reviewing workforce skills mix of the Council therapy teams to support focus of admission avoidance and ensuring appropriate levels of care. This will underpin best use of in-house capacity.	750	Transforming Adult Services
Social Services	Adult Services & Integrated Services for Older People	Continue progress to a different mix of delivery	350	Transforming Adult Services
Social Services	Adult Services (Both Areas)	Reduce discretionary spend, where appropriate e.g. taxi, supplies and services.	50	Business as Usual
Social Services	Adult Services, Prevention and Tackling Poverty	Increase fees for some Life Long Learning courses	45	Transforming Adult Services
Social Services	Adult Services, Prevention and Tackling Poverty	Change current model of extra care services and recommission a different operating model to achieve efficiencies and better outcomes for individuals	150	Transforming Adult Services
Social Services	Adult Services, Prevention and Tackling Poverty	Work through Complex Needs high-cost placements and establish a collaborative approach with Health for funding these packages of care to achieve a reduction in the overall costs of these packages due to more efficient and effective working with health in terms of new guidance around continuing health care cases	500	Transforming Adult Services
Social Services	Child & Family Services	Target financial support offered to care leavers in line with statutory duties, to ensure avoidable accommodation costs and discretionary spend is minimised, so that it is fair and equitable and in in line with core and grant spend in this area	50	Child and Family Services Transformation

Director	Head of Service Budget	Description	Savings 2024/25 £'000	Transformation Project
Social Services	Child & Family Services	Reduce the number of 16 - 17 years olds who become homelessness by re-modelling provision as a preventative service to understand move on plan for young people and to make sure all family options have been explored before placing in supported accommodation in line with core and grant spend in this area	50	Child and Family Services Transformation
Social Services	Child & Family Services	Reduce discretionary spend, where appropriate e.g. S17, taxi, supplies and services	100	Business as Usual
Social Services	Directorate	Fund non-statutory services to the minimum they require to successfully draw down grant funding (Training, Capital, Early Years)	300	Business as Usual
Social Services	Directorate	Ensure all back office processes are as business efficient as possible, which will reducing overall staffing costs through natural vacancies	300	Business as Usual
Social Services	Directorate	Review senior management structure	350	Business as Usual
Social Services	Directorate	Increase last years re-introduced vacancy provision	1,000	Business as Usual
Social Services	Directorate	Apply an uplift to areas of commissioned care services across Adult and Child & Family Services to enable providers to pay RLW and cover inflationary pressures	2,000	Business as Usual
		Social Services Total	6,045	
		Grand Total	12,717	

Part 2 – Service Pressures and Investment

Director	Head of Service	Original Description	2024/25 £'000
Corporate Services	Communications Service	Policy Support Officer in the SDU	32
Corporate Services	Digital and Customer Services	Complaint staff salary cost increase from JE regrading	3
Corporate Services	Digital and Customer Services	Social Services Complaints investigators	23

Corporate Services	Digital and Customer Services	Safeguarding complaints	45
Director	Head of Service	Original Description	2024/25 £'000
Corporate Services	Digital and Customer Services	Shortfall in ICT Schools SLA Income budget	50
Corporate Services	HR & Service Centre	New Grade 5 post in Recruitment Team	34
Corporate Services	HR & Service Centre	Shortfall in HR SLA Income	37
Corporate Services	HR & Service Centre	Card Transaction Fees	170
Corporate Services	Legal Democratic Services & Business Intelligence	New PDF contract cost	5
Corporate Services	Legal Democratic Services & Business Intelligence	Changes to Pathology service delivered by local health board	15
Corporate Services	Legal Democratic Services & Business Intelligence	Modern Gov move to cloud	20
Corporate Services	Legal Democratic Services & Business Intelligence	Regrade 1 x Grade 7 Translator post to Grade 9 and create 1 x 0.5 FTE Grade 6 Office Manager for Welsh Translation Unit	30
Corporate Services	Legal Democratic Services & Business Intelligence	Creation of new Grade 10 Cabinet Office Manager post	62
Corporate Services	Legal Democratic Services & Business Intelligence	Increase to Councillors costs due to IRPW Report	101
		Corporate Services Total	627
Education	Non-Delegated	Regional School Improvement Service Charges	43
Education	Non-Delegated	Increased claims from Facilities Time Policy	50
Education	Non-Delegated	Catering - shortfall between universal free school meal grant and actual costs	204
Education	Non-Delegated	STF teaching assistant increase	450
		Education Total	747
Finance	Directorate	ISA 315 versus ISA 260 auditing duties - material increase in base external audit costs and further 6.4% fee proposed	100
Finance	Directorate	Invest in core finance staff for resilience/capacity (CX and S151 officer advice)	130
		Finance Total	230
Place	Highways & Transportation	Parking Offer / Income (Highways)	2,040
Place	Highways & Transportation	Drainage Team (temporary funding for 4 years)	350

Place	Highways & Transportation	Extend Free Bus Offer	400
Director	Head of Service	Original Description	2024/25 £'000
Place	Housing & Public Health	Poor Income Recovery Housing and Public Health (Cems)	104
Place	Housing & Public Health	Homelessness costs to comply with WG Policy	500
Place	Planning & Regeneration	Swansea Market	100
		Place Total	3,494
Social Services	Adult Services	Various Adult Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	50
Social Services	Child & Family Services	Various Child and Family Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	100
Social Services	Directorate	Social Care Pressures	1,000
Social Services	Directorate	Extra Directorate Pressures in addition to what is included above with 5% CPI added for coming years	4,580
		Social Services Total	5,730
Corporate	Inflation	Increased Home to School Transport Costs	2,804
		Grand Total	13,632

Reinstatement of Deferred Savings 2023/24

Director	Head of Service	Original Description	2024/25 £'000
Corporate Services	Various	To replace savings deferred as decided by Council on 2nd March 2023	34
Place	Various	To replace savings deferred as decided by Council on 2nd March 2023	683
		Total Deferred Savings	717

Budget Consultation Results 2024

1. Residents Survey

A resident's survey was carried out in October to help us understand how people feel about our performance and to ensure that our future planning and priority setting aligns with what is needed. In total 1205 people took part in the resident's survey. Results from the survey gave us some initial indications about people's perceptions of issues and council services, and a steer on areas that people feel are important to them.

We asked respondents how the Council should prioritise areas in terms of financial investment, time and resources. Health and Social Care was ranked the highest priority, followed closely by Education. This supports our principle that Social Services and Education should remain the Council's priority in terms of future spend. In addition, there was also a significant number of comments made in relation to the city centre, regeneration and place based activities which aligns to the current wellbeing objectives. The results of the resident's survey have been used to inform the annual budget process.

2. Budget Consultation

Consultation on the specific budget proposals ran from 12th January 2024 to 11th February 2024. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 521 people took part in the general budget consultation survey.

The consultation was available online at www.swansea.gov.uk/budgetsurvey

There were 891 visits on our Budget Consultation webpages and 297 visits on the budget news stories on our website.

Communication and Social Media

The consultation was promoted across Swansea within the press and social media. This resulted in:

- Two releases resulting in seven media mentions in print and online
- 13 social media mentions, seen by 29.7k on social media and 8.1k via the council's online weekly newsletter.

3. Budget Consultation Summary Results (full results Appendix 1)

The survey provided the opportunity for people to have their say on:

- Future funding of services
- Council Fees and Charges
- Social Care budget principles
- Budget Report

Future funding of services

78% Would you prefer for the Council to deliver services in a different way, rather than lose them?

52% Would you be prepared to accept a higher increase in Council to fund services rather than lose them?

52% Would be accept Council Tax increase in line with inflation levels

Respondents were asked: If there was money available, in which areas would you like to see the Council invest in?

Areas which were selected the most are outlined below:

62% Street/Road Repairs

61% Care for Older People and Disabled Adults

50% Keeping Children Safe

47% Tackling Poverty

46% Housing and Homelessness

45% School Improvements

42% Parks & Green Spaces

40% Transport services/ Bus station

Council Fees and Charges

72% Agree with the proposed principle to increase our fees and charges in line with inflation rises

40% Agree with the proposed principle to increase our fees and charges to recover all costs of providing our services

Social Care Budget Principles

Respondents were asked a series of questions around the budget principles for Social Care

Agree with the principles:

87% Maximise income (client, grant and recharge) and business efficiency

92% Minimise management cost/ overheads

91% Implement most cost-effective workforce mix

86% Implement most cost-effective models of care at both a service level and for individual recipients of care

91% Prioritise delivery of a safe statutory offer

89% Minimise cuts to prevention/early help where there will be obvious increased recourse to more expensive statutory provision

88% Delivery of grant funded services must be contained within the grant envelope

Budget Report

Due to the nature of this year's budget, there were no specific budget proposals which required public consultation at this time. Comments on the overall budget report were sought, to date 107 comments have been received.

Text comments provided in the survey have been presented in full to Cabinet members for consideration.

Other Correspondents

During the consultation period we received a number of emails and petitions in relation to the Local Area co-ordination team. The reductions in this area and for other grant funded services lie outside direct council control and reflect funding decisions in relation to specific grants made by Welsh Government. However, the Council did consult on the budget principle that grant funded services should be reduced to reflect any Welsh Government specific grant reductions. To that end, these responses can be considered as disagreeing with that budget principle being applied where it relates to this particular service area. These comments, along with any budget related correspondence have been shared with all Councillors for consideration.

Are you ...

384 (73.7%)	A member of the public	7 (1.3%)	A third sector organisation/partner organisation (please specify)
122 (23.4%)	A council employee	2 (0.4%)	A private sector organisation/partner organisation (please specify)
6 (1.2%)	An elected member		
11 (100.0%)			

Your anonymised comments may be made public when we report the results of this consultation or as a result of a Freedom of Information request. Comments which are considered abusive, racist, libellous or offensive will be removed before we consider the survey responses.

The proposals outlined in this survey will be of interest to those who live and work in Swansea. Please tell us in which area of Swansea you live or work:

Postcode:

495 (100.0%)

We want your views on how we can provide services in the future:

Would you prefer for the Council to deliver services in a different way, rather than lose them?

377 (77.9%) Yes

107 (22.1%) No

If yes, please state in the box below how would you like services delivered differently in the future:

251 (100.0%)

The table below shows the average Band D Council Tax per County. Swansea currently lies mid-table.

Would you be prepared to accept a higher increase in Council Tax to fund services rather than lose them?

262 (51.9%) Yes

243 (48.1%) No

If yes, what level of Council Tax increase would you accept?

132 (40.2%) Below inflation level rise

170 (51.8%) A rise in line with inflation levels

26 (7.9%) Above inflation level rise

If there was money available, in which areas would you like to see the Council invest in?

310 (60.8%)	Care for Older People and Disabled Adults	153 (30.0%)	Council Housing
32 (6.3%)	Keeping people informed about the Council	28 (5.5%)	Improvements to Council buildings
85 (16.7%)	Engaging and consulting people on things the council does	234 (45.9%)	Housing & Homelessness
65 (12.7%)	Promoting and supporting Equality and Diversity	241 (47.3%)	Tackling Poverty
18 (3.5%)	Improving the Council's website	168 (32.9%)	Libraries
34 (6.7%)	Promoting and supporting Welsh Language	155 (30.4%)	Community Centres
56 (11.0%)	Making the Council more commercial	191 (37.5%)	Children's Play / Youth Services
255 (50.0%)	Keeping Children Safe	140 (27.5%)	Developing Swansea City Centre
228 (44.7%)	School improvements	142 (27.8%)	Refuse Collection
183 (35.9%)	Additional Learning needs	148 (29.0%)	Recycling services
185 (36.3%)	Education services	163 (32.0%)	Street cleaning
106 (20.8%)	Adult learning	215 (42.2%)	Parks & Green Spaces
318 (62.4%)	Street/Road Repairs	146 (28.6%)	Sports, Leisure & Cultural Facilities
66 (12.9%)	Traffic Management	206 (40.4%)	Transport services/ Bus station
82 (16.1%)	Car Parking	41 (8.0%)	Other (write in)
85 (100.0%)			

Council Fees and Charges

As a Council we charge for a number of services that we provide. This allows us to use the income from these services to provide them and allows us to recover the cost of providing services to help us fund other services we provide. The cost of living crisis has brought unprecedented challenges for households across the country. Swansea Council has been affected in the same way. The effects of higher energy bills have added an extra £15 million to our costs. On top of this inflation has remained high which means the cost of everything we buy and use has increased during the year. At the same time, the UK Government has agreed national pay rises for Council and school staff without providing funding for them. To ensure that we can continue to provide our services we need to review how much we charge for them.

It is proposed that as a Council we continue to adopt the principle of increasing our charges in line with increased inflation costs or to ensure we recover all cost of providing our services.

Do you agree or disagree with the proposed principles:

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Increase our fees and charges in line with inflation rises	79 (15.8%)	282 (56.4%)	71 (14.2%)	68 (13.6%)

Increase our fees and charges to recover all costs of providing our services 39 (8.1%) 154 (32.2%) 156 (32.6%) 130 (27.1%)

Are there any comments you would like to make about the proposed principles around increasing fees and charges

150 (100.0%)

Social Care

The cost of social care continues to accelerate, however the funding from Welsh Government available to meet the demands and rising costs is not sufficient to keep pace and therefore we have established a set of budget principles to apply for us to meet this challenge now and in future years which are:

- Maximise income (client, grant and recharge) and business efficiency
- Minimise management cost/ overheads
- Implement most cost-effective workforce mix
- Implement most cost-effective models of care at both a service level and for individual recipients of care
- Prioritise delivery of a safe statutory offer
- Minimise cuts to prevention/ early help where there will be obvious increased recourse to more expensive statutory provision
- Delivery of grant funded services must be contained within grant envelope

By applying these budget principles it will help us manage spend going forward.

Do you agree or disagree with our budget principles for Social Care?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Maximise income (client, grant and recharge) and business efficiency	180 (37.1%)	242 (49.9%)	46 (9.5%)	17 (3.5%)
Minimise management cost/ overheads	288 (58.1%)	170 (34.3%)	27 (5.4%)	11 (2.2%)
Implement most cost-effective workforce mix	222 (45.4%)	220 (45.0%)	42 (8.6%)	5 (1.0%)
Implement most cost-effective models of care at both a service level and for individual recipients of care	193 (39.6%)	225 (46.2%)	56 (11.5%)	13 (2.7%)

Prioritise delivery of a safe statutory offer	199 (41.8%)	228 (47.9%)	36 (7.6%)	13 (2.7%)
Minimise cuts to prevention/ early help where there will be obvious increased recourse to more expensive statutory provision	271 (55.9%)	159 (32.8%)	42 (8.7%)	13 (2.7%)
Delivery of grant funded services must be contained within grant envelope	164 (34.5%)	256 (53.9%)	45 (9.5%)	10 (2.1%)

Is there anything else we could be doing to differently to manage spend in Social Care?
142 (100.0%)

Views on our budget

If you have any comments about the budget proposals or anything else contained in the Cabinet budget report please write in here:
152 (100.0%)

Welsh Language Impact:

Do you have any concerns or evidence to suggest that the Council is treating/using the Welsh language less favourably than English in relation to its proposed budget for 2024/25?
227 (100.0%)

If yes, please give details and state how the budget suggested will affect opportunities to use the Welsh language in your view?
34 (100.0%)

What changes could be made in order to have a more positive effect on the Welsh language?
113 (100.0%)

About You: Finding out who has taken part

In accordance with Data Protection law, any information requested on the following questions is held in the strictest confidence for data analysis purposes only. For further information about how Swansea Council uses your personal data, please see our corporate privacy notice on our website www.swansea.gov.uk/privacynotice.

Are you...?
163 (32.5%) Male 4 (0.8%) Prefer to self-describe (write in)

286 (57.0%) Female

49 (9.8%)

Prefer not to say

5 (100.0%)

Is your gender you identify with the same as that which you were assigned at birth?

444 Yes
(89.9%)

49 Prefer not to say
(9.9%)

1 No
(0.2%)

How old are you ...

0 (0.0%) Under 16

99 (19.6%) 56 - 65

8 (1.6%) 16 - 25

77 (15.2%) 66 - 75

42 (8.3%) 26 - 35

27 (5.3%) 76 - 85

99 (19.6%) 36 - 45

4 (0.8%) Over 85

101 (20.0%) 46 - 55

49 (9.7%) Prefer not to say

How would you describe your national identity?

Please mark all that apply

236 (46.7%) British

3 (0.6%)

Other British (please write in at end)

266 (52.7%) Welsh

9 (1.8%)

Non British (please write in at end)

24 (4.8%) English

0 (0.0%)

Refugee/Asylum Seeker (please write in current/last nationality at end)

7 (1.4%) Irish

36 (7.1%)

Prefer not to say

2 (0.4%) Scottish

Write in here

12 (100.0%)

To what 'ethnic' group do you consider

422 White - Welsh, English, Scottish,
(84.9%) Northern Irish or British

1

Asian or Asian British - Pakistani

(0.2%)

5 (1.0%) White - Irish

0

Asian or Asian British - Bangladeshi

(0.0%)

0 (0.0%) White - Gypsy or Irish Traveller

1

Asian or Asian British - Chinese

(0.2%)

0 (0.0%) White - Roma

1

Any other Asian background (please write in at end)

(0.2%)

10 (2.0%) Any other White background (please write in at end)

0

Black or Black British - Caribbean

(0.0%)

1 (0.2%) Mixed - White & Black Caribbean

3

Black or Black British - African

(0.6%)

2 (0.4%) Mixed - White & Black African

0

Any other Black background (please write in at end)

(0.0%)

1 (0.2%) Mixed - White & Asian

0

Arab

(0.0%)

1 (0.2%) Any other Mixed background (please write in at end)

2

Other ethnic group (please write in at end)

(0.4%)

2 (0.4%) Asian or Asian British - Indian

45

Prefer not to say

(9.1%)

Write in here

9 (100.0%)

What is your religion?

Please mark one box or write in

213 (43.2%)	No religion	0 (0.0%)	Muslim
213 (43.2%)	Christian (all denominations)	1 (0.2%)	Sikh
3 (0.6%)	Buddhist	8 (1.6%)	Other
1 (0.2%)	Hindu	54 (11.0%)	Prefer not to say
0 (0.0%)	Jewish		

Any other religion or philosophical belief (please write in)

11 (100.0%)

What is your sexual orientation

10 (2.1%)	Bisexual	76 (15.7%)	Prefer not to say
23 (4.8%)	Gay/ Lesbian	10 (2.1%)	Other
365 (75.4%)	Heterosexual		

Please write in

10 (100.0%)

Can you understand, speak, read or write Welsh?

Please mark all that apply

81 (16.4%)	Understand spoken Welsh	86 (17.4%)	Learning Welsh
41 (8.3%)	Speak Welsh	264 (53.3%)	None of these
44 (8.9%)	Read Welsh	63 (12.7%)	Prefer not to say
26 (5.3%)	Write Welsh		

Which languages do you use from day to day?

Please mark all that apply

461 (92.8%)	English	7 (1.4%)	Other (write in)
33 (6.6%)	Welsh	36 (7.2%)	Prefer not to say

Please write in

14 (100.0%)

Do you have any physical or mental conditions or illnesses lasting or expecting to last 12 months or more?

125 (25.2%)	Yes	53 (10.7%)	Prefer not to say
318 (64.1%)	No		

Do any of your conditions or illnesses reduce your ability to carry out day-today activities?

87 (17.8%)	Yes	63 (12.9%)	Prefer not to say
338 (69.3%)	No		

Thank you for your participation

Integrated Impact Assessment (IIA) Statement for Swansea Council's Budget 2024/25

1. Introduction

This statement provides an overall view of the budget IIA process for the Council, along with any specific relevant details for 2024/25.

The budget is set for the council's operation which covers a wide range of services delivered to the citizens of Swansea. This includes both providing and commissioning of services from other organisations and agencies. We, like other local authorities, will be facing a reduction in budgets every year for the foreseeable future. We also need to manage increased expectation and demand for services and financial pressures in a number of areas across the Council.

The council has faced unprecedented financial pressures over the last few years due to government budget reductions, increased demand for services and extra costs such as vehicle fuel inflation and social care. We think our funding from Welsh Government, whilst moderately positive this year, will not increase our immediate real terms spending power, nor is it likely to increase significantly in future years. This means we will continue to have less to spend in real terms at a time when demand for services like social care is rising. The result of this is a need to find savings of £24.9m in 2024/25 and roughly £55m savings over the next four years.

Change is already taking place and over the last few years the council has cut costs by being more efficient and more effective in what we do. But this is not enough to meet the scale of cuts and ensure council services are sustainable and fit for the future. Clearly, the sheer amount of savings required means that difficult decisions and potential impacts are inevitable. However, we continue to focus on mitigating any adverse impacts via our IIA process as well as officer expertise.

During 2023, the authority updated and replaced the 'Swansea – Achieving Better Together' transformation strategy and programme framework with the latest 'Successful and Sustainable Swansea Corporate Transformation Plan' as a means of setting Council priorities, transforming services and addressing current and future deficits.

The Council has adopted a number of Budget Principles that underpin the budget strategy:

<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>
<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>

All Services must apply and be consistent with these Budget Principles. All Services are also required to address these Principles as part of business planning and developing savings proposals.

In terms of equality, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. This will continue, although services may be delivered in different ways in future.

2. The Integrated Impact Assessment (IIA) process

The council has had an EIA process in place for a number of years which was reviewed in 2021 and replaced with Integrated Impact Assessments (IIA). The process covers:

- The nine protected characteristics covered by the Equality Act 2010
- The Public Sector Equality Duty for Wales
- Well-being of Future Generations Act (Wales) 2015
- Consultation and engagement
- Poverty and social exclusion
- Welsh language
- United Nations Convention on the Rights of the Child (UNCRC)
- Carers
- Community cohesion
- Human rights principles.

In order to apply the IIA process, officers follow these steps:

- An initial screening exercise (to identify whether a full IIA report is necessary)
- Completion of a full IIA report (where required)
- Quality assurance and feedback
- Sign off at Head of Service level
- Publication on the Council's website alongside the relevant report
- Review.

Officers have access to dedicated departmental support from members of the Access to Services Team who co-ordinate the quality assurance of IIAs whilst also offering advice and guidance.

The process does not change for specific budget proposals. All year 1 proposals have completed an IIA screening form and these have been provided to Cabinet for consideration.

3. Assessing impact

Due to both the nature of the proposals being considered and the regulatory framework around IIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period.

Officers are always advised to undertake the initial screening as early as they can, with (if required) a full IIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget IIAs throughout the year.

As a result, the assessment of impact is not a one-off exercise – it is a continuing process.

To ensure an ongoing rigorous process, the following elements are of note:

- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the IIA
- IIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
- Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
- Where a proposal has potential adverse impacts, officers utilise the IIA process to focus on mitigation
- Where a proposal has potential adverse impacts that cannot be mitigated, the IIA is referred to senior managers for attention and consideration.

In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at any point of implementation, particularly with the IIA process being a continuing feature as proposals are further developed.

Therefore, we will continue to publish each IIA report with the relevant corporate report at: <http://democracy.swansea.gov.uk/ieDocHome.aspx?bcr=1&LLL=0?Lang=eng>

4. Consultation and engagement

Whilst there is a specific regulation around engagement (contained within the Public Sector Equality Duty for Wales), our 'Swansea – Achieving Better Together' strategy contains a substantial emphasis on consultation and engagement too.

Corporate budget consultation takes place on the proposed budget as a whole, and when needed, a wide variety of specific proposals. Others specific proposals are consulted on using service-specific groups and/or activities if required.

Corporately, the consultation results are reported separately via the budget reports themselves.

5. Local information

The Council delivers services to all the citizens of the City & County of Swansea. The overall population profile from the latest population estimates (mid-2022) and 2021 Census is as follows:

- Within an overall population of **241,300**, the gender split of the **City & County of Swansea** is **50.5% Female** (121,800 people) and **49.5% Male** (119,500 people).
- Children and young people **aged 0-25 years** represent **31.2%** of the population, or **75,300** people.
- **Over 50s** represent **39.8%** of the population (96,100 people), of which around **49,700** are over 65 (20.6% of the total population).
- In 2021, **8.6%** of the total population of Swansea (around **20,400** people) came from an ethnic minority background. In terms of religion, **11,300** people (**4.7%** of the population) belonged to non-Christian faiths with 47.3% (112,700 people) having no religion.
- **22.4% (53,500 people)** were disabled under the Equality Act in 2021. **6.3%** of those aged 16+ (**12,500 people**) were economically inactive due to long term sickness or disability.

- There were **26,000** Welsh speakers in Swansea in 2021, or **11.2%** of the population aged 3+. **42,500** people (18.3%) had one or more skills in Welsh.

Further information about Swansea's population can be found at www.swansea.gov.uk/keyfacts

Officers consider the particular service users or groups affected when applying the IIA process.

6. Staffing

The Cabinet report in February 2024 referred to 28 posts at risk throughout the Authority, not including any impact in schools. Heads of Service have been provided with the same advice as in previous years that where post is at risk consideration should be given as to whether there is any potential adverse impact and to follow the IIA process. Unions to minimise the number of compulsory redundancies in the future.

The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings in Corporate Services, Finance and Education.

Consultation will take place with the Trade Unions as required and any issues raised will be considered.

Based on current information it is anticipated that there will some changes to the staffing figures as a result of:

- ERVR applications,
- Not filling vacant posts,
- Flexible Working requests, i.e. reduced hours,
- Flexible Retirement,
- Redeployment,
- Bumped redundancies,
- Residual very limited risk of compulsory redundancies but work to mitigate this to the absolute minimum continues.

These figures will be updated on an ongoing basis.

HR & OD are constantly working with redeployees to secure them alternative positions. Employees at risk, i.e. those who have not been served notice, can also be considered for redeployment.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director and CMT approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

7. Publication Arrangements

All IIA reports will be published as they are finalised. As mentioned earlier in this statement, due to the nature of many of the proposals this is likely to take time as assessment of impact continues to be undertaken as proposals are further developed.

8. Conclusion

We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that

we continue to focus on mitigation wherever possible. In this context the following should be noted:

- where IIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration,
- for those IIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed,
- the outcomes of engagement will inform IIAs,
- this is an ongoing process and as noted this statement and many IIAs will remain open for varying periods of time,
- there is a focus on the council doing things differently in order to further deliver services that are flexible, people-centered, meet individual needs and are sustainable for the future.

The council continues to deliver a wide range of services for all the citizens of Swansea. Many of these are of particular benefit to the areas covered by our IIA process, e.g. the protected characteristics defined within the Equality Act 2010.

As highlighted earlier in this statement, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this challenging commitment given the financial constraints it faces. However, services may be provided in a different way in line with the 'Successful and Sustainable Swansea Corporate Transformation Plan'.



Ysgol Pen-Y-Bryn
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 Post 16 Campus - Heol Frank, Penlan, Swansea, SA5 7AH
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Councillor Rob Stewart
 City and County of Swansea
 Civic Centre
 Oystermouth Road
 Swansea
 SA1 3SN

29.01.2024

Dear Councillor Stewart,

School Budget Forum Response to Budget Consultation

As always, the School Budget Forum has sought to support the discussions that have already been held and which will be held over the coming weeks. **As a statutory consultative body, the Forum expects that the points made will be carefully considered as part of any forthcoming corporate discussion of future revenue and capital budgets.** The School Budget Forum represents a considerable body of statutory provision meeting the needs of a great many pupils, families, schools and communities within Swansea.

The School Budget Forum recognises the scale of the continuing financial challenges facing the Council. Nevertheless, it has a responsibility to seek to ensure that the full implications of any budget proposals on schools and the wider education service are properly recognised by the Council before any decisions are taken.

We would suggest that the Council should take a very positive view of the outcomes achieved by schools in Swansea against the backdrop of the continuing challenges that have resulted from the global health crisis and national 'cost of living' concerns. Whilst recognising the challenges facing the council, learners' entitlement, experience and outcomes should not be jeopardised by forthcoming Council budget decisions.

Swansea schools do not fare well financially. As has been noted in previous years, the Council can do nothing about the fact that the settlement it receives from the Welsh Government is relatively poor, ranking it around 17/18th out of the 22 local authorities. We appreciate the £6M of additional funding the council used in 2023-24, from its reserves to support schools with rising energy costs through a utilities grant, and whilst accepting the method by which this support was delivered would inevitably affect the education quantum and its budgeted expenditure per pupil. We did not, however envisage that the resultant impact would see our budgeted expenditure per pupil fall to our lowest ranking of 21st of the 22 local authorities in 2023-24 (Source: Welsh Government Statistical Bulletin 6 July 2023 SB 26/2023).

The Forum is appreciative of the council's continuing relative prioritisation of education spending and we are thankful that you have directed the whole of the future schools replacement ICT reserves to help avoid immediate crisis in 2024-25. It is also appropriate to note the near certain impact this will have on both our budgeted expenditure per pupil and net revenue increase in 2024-25. When the Welsh Government Statistical Bulletin for said year is released this summer that will likely see our budgeted expenditure per pupil ranking rise to its highest ever position and our net revenue increase to be well above the national average. Whilst we appreciate this funding boost, we must point out the genuine concern that we are simply deferring a

looming funding crisis towards an inevitable cliff edge in 2025-26 and that we will inevitably, also have to rebalance the money drawn from the future schools ICT replacement reserve.

Our schools' reserves dropped by 30% in 2022-23, are expected to drop a further 50% in 2023-24 and we face the likelihood of them being fully exhausted in 2024-25.

It would be remiss of the Forum not to point out the continuing impact of the global pandemic (much of which may not be fully visible for years to come), elevated energy costs, inflationary pressures and the resultant cost of living crisis.

We are not yet funded for the further 5% uplift in teachers pensions costs. We seek urgent clarity and transparency on assured funding coming through to our schools but fully accept you are yourself entirely waiting on a delayed UK Government decision and subsequent Welsh Government action.

The immediate and future impact on schools and education in Swansea are:

- Our ability to deliver reform agenda (Curriculum for Wales, ALN, Community Focussed Schools, UFSM, Mitigating the impact of poverty) at school and local authority level
- Pupils struggling to maintain their place in school - low attendance, rise in exclusions, with need for more expensive provision
- Supporting the needs of learners post-pandemic requiring greater support staffing and nurture/ care provision
- Insufficient ALN revenue funding
- Fewer staff in central education teams at a time when schools need more support for vulnerable learners
- Challenges in recruitment and retention
- Individual school reserves in rapid decline
- Reserves being used to maintain safe environments
- Not enough money to deliver statutory education services
- Uncertainty about the future

The Forum recognises the positive work undertaken by the School Finance Group and the School Funding and Information Team (SFIT) in revising school funding formulas enabling SFIT to more swiftly calculate indicative school budgets.

The Forum views positively the Council's stated aims of relative prioritisation of the delegated schools budget and welcomes the proposals made by the Leader in his presentation to headteachers in December. Furthermore the Forum appreciates the transparency and clarity of budgetary information the Forum receives from the Director of Finance & S151 Officer.

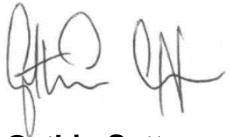
The Forum shares the council's belief that we must together keep up the pressure on both governments and continue to press for both fairer and better funding for education. This needs to be in two parts; firstly, the UK government needs to ensure Welsh Government is fairly funded; secondly, Welsh Government needs to address the inequity of funding for local government and secure a fairer funding model for education. **We value your commitment to writing joint submissions to both UK and Welsh governments to reiterate our concerns.**

Future funding settlements must fully fund the significant areas of unavoidable cost pressures facing education services, as indeed must any future Welsh Government Budget. Decisions made by the UK or Welsh Governments that result in additional cost pressures for schools, must be wholly funded and maintained in base budget settlements. These would include teacher and other pay awards (including increases in the national minimum wage), teacher pension cost increases, changes to free school meal entitlement, revised ALN legislation against a context of already spiralling expectations of support for pupils with additional learning needs, as well as the impact of more general demographic trends. There also needs to be a more appropriate balance between the base education funding available through the revenue support grant and the increasing range of specific grants, many of which arrive late in the financial year, and all of which have their own terms and conditions. The percentage of education and schools' funding that grants currently represent is too high. However well-intentioned, such funding is inevitably time-limited,

often inappropriately, with specific terms and conditions for use, and inevitably short-term focused. This method of providing funding is uncertain, inefficient and does not enable effective financial planning in the medium or longer term. Without equitable and adequate base funding for core statutory education provision, it is also potentially ineffective.

We share the council's commitment to fight for a better deal for education and welcome the assurance to continue to prioritise education within the council's budget and pass on all new monies made available for schools or education by either government.

Yours sincerely



Gethin Sutton

Chair of Swansea Budget Forum



Believe it! Achieve it!

Revenue Budget 2024/2025

Corporate Services

	ORIGINAL BUDGET 2023/2024 £	ORIGINAL BUDGET 2024/2025 £
Corporate Services Directorate		
Director of Corporate Services	191,800	480,200
	191,800	480,200
Chief Legal Officer		
Coroners	790,900	807,300
Democratic Services	3,259,400	3,460,700
Information Governance Unit	171,400	156,000
Legal Services	2,516,300	2,668,800
Overview & Scrutiny Unit	182,700	221,000
Welsh Translation Unit	286,600	201,000
	7,207,300	7,514,800
Head of Digital & Customer Services		
Customer Services & Complaints	1,038,300	1,165,700
Digital Services	7,050,600	7,170,000
	8,088,900	8,335,700
Head of Communications & Marketing		
Access to Services	118,600	121,900
Human Rights	47,100	49,000
Communications	458,700	471,000
Corporate Management Team Support	322,400	286,300
Corporate Marketing	267,800	201,900
Design & Print	-76,300	-59,900
Health & Safety	1,193,500	1,340,600
Strategic Delivery Unit	667,800	585,800
	2,999,600	2,996,600
Head of Human Resources & Service Centre		
Human Resources & Organisational Development	776,300	805,200
Service Centre	2,176,100	2,509,800
	2,952,400	3,315,000
Total Corporate Services	21,440,000	22,642,300

Revenue Budget 2024/2025

Finance

	ORIGINAL BUDGET 2023/2024 £	ORIGINAL BUDGET 2024/2025 £
Deputy Section 151 Officer		
Audit	739,000	752,700
Finance DMT	972,200	1,089,600
Accountancy	1,412,400	1,459,500
Pensions	98,200	139,800
Treasury & Technical	583,000	603,500
	3,804,800	4,045,100
Head of Revenues & Benefits		
Revenues	949,000	1,055,700
Benefits	3,711,800	3,930,900
Council Tax Reduction Scheme	24,512,000	25,272,000
	29,172,800	30,258,600
Head of Commercial Services		
Commercial Team & Procurement	760,400	784,000
	760,400	784,000
Total Finance	33,738,000	35,087,700

Revenue Budget 2024/2025

Social Services

	ORIGINAL BUDGET 2023/2024 £	ORIGINAL BUDGET 2024/2025 £
Adult Services, Prevention & Tackling Poverty		
Commissioned Third Sector Services	695,800	768,800
Internal Staffing & Services - Assessment Care Planning	4,024,009	4,436,700
Internal Staffing & Services - Direct Service Provision	13,299,296	14,568,200
Internal Staffing & Services - Other	3,858,656	4,483,200
LD Commissioned Care	16,822,099	17,047,400
LD Direct Payments	2,138,205	2,392,800
LD Dom Care	0	268,200
LD External Residential Care	3,278,300	4,530,300
MH Direct Payments	178,752	192,900
MH Dom Care	0	364,200
MH External Residential Care	3,008,800	5,191,500
Tackling Poverty Service	1,027,092	1,052,500
	48,331,009	55,296,700
Child & Family Services		
Adolescent & Young People's Services	2,825,979	2,906,800
Adoption Services	1,689,583	1,733,000
Care & Support Services	5,478,023	5,756,400
Commissioned Services - Gower Activity Centres	152,550	165,500
Commissioning & Care Services	4,414,908	4,521,900
Commissioning & Care Services (Fostering)	8,386,362	8,963,100
Commissioning & Care Services (Independent Placements)	9,878,000	11,098,000
Direct Payments	2,352,753	2,378,400
Domestic Abuse	538,434	567,400
Early Help & Single Point of Contact	3,684,907	4,159,900
Family Support Services	2,514,852	2,661,700
In-house Residential Care	967,190	988,400
Internal Staffing & Services	5,339,799	5,281,200
Therapy	752,776	762,300
	48,976,116	51,944,000
Grants, Commissioning & Partnerships		
Commissioned Services	1,158,000	1,158,000
Internal Staffing & Services	2,341,568	2,430,700
	3,499,568	3,588,700

Revenue Budget 2024/2025

Social Services

	ORIGINAL BUDGET 2023/2024 £	ORIGINAL BUDGET 2024/2025 £
Integrated Services for Older People		
Carers Direct Payments	111,719	119,800
Internal Staffing & Services - Assessment Care Planning	4,470,414	4,637,500
Internal Staffing & Services - Homecare	5,827,487	5,793,700
Internal Staffing & Services - Other	2,289,632	1,730,000
OP Direct Payments	1,084,799	1,233,500
OP External Dom Care	10,452,387	11,357,400
OP External Residential Care	19,665,999	22,868,500
PD Supported Living	0	1,273,600
Transformation	234,388	246,000
YA Direct Payments	1,631,109	1,778,300
YA External Dom Care	1,595,648	405,800
YA External Residential Care	2,231,300	2,005,100
	49,594,882	53,449,200
Resources Hub		
Internal Staffing & Services	6,573,425	6,722,400
	6,573,425	6,722,400
Total Social Services	156,975,000	171,001,000

Revenue Budget 2024/2025

Education

	ORIGINAL BUDGET 2023/2024 £	ORIGINAL BUDGET 2024/2025 £
Delegated Schools		
Energy Inflation	0	4,500,000
School Cost Centres	189,670,000	197,320,000
	189,670,000	201,820,000
Director of Education		
Management & Admin Effectiveness	163,500	163,300
Schools At Risk	109,000	0
	272,500	163,300
Head of Achievement & Partnership Service		
Broadband & Cloud Technology	274,900	259,900
Education Improvement Service	963,700	959,550
Ethnic Minority Achievement Unit	0	0
Learning Portal Team	41,400	53,300
Management Systems Unit	251,400	253,600
Stakeholder Engagement Unit	421,400	407,400
Swansea Music Service	0	0
Welsh Service	0	0
	1,952,800	1,933,750
Head of Vulnerable Learner Service		
Additional Learning Needs & Inclusion Team	0	0
Behaviour, Learning Support & EOTAS	5,590,400	5,327,700
HLSS - Head of Learner Support Service	115,400	115,400
PST - Pupil Support Team	1,470,300	1,534,900
Psychology Service	717,900	745,800
Recoupment/Out of County	761,000	711,000
SEN Statementing & Support	5,698,900	4,846,800
STF Additional Hours	1,092,300	1,542,300
	15,446,200	14,823,900

Revenue Budget 2024/2025

Education

	ORIGINAL BUDGET 2023/2024 £	ORIGINAL BUDGET 2024/2025 £
Head of Education Planning & Resources		
Additional School Support	78,100	78,100
Capital Planning & Delivery Unit	386,600	400,000
Cleaning Services	254,900	84,050
Continuing Education & Pensions	409,300	404,900
Education Improvement Grant for Schools	714,000	714,000
Empty Properties	17,900	17,800
Funding & Information Unit	164,600	164,260
Health & Safety	84,500	0
Management & Admin - Planning & Resources	104,200	100,000
Non Delegated - Pensions, Insurance & Public Duties	9,751,450	9,954,190
Post 16 Funding	-5,920,420	-6,513,420
Pupil Deprivation Grant	-9,598,030	-9,217,030
School Meals	1,840,300	1,600,100
Transport	8,848,100	10,541,100
	7,135,500	8,328,050
Total Education	214,477,000	227,069,000

Revenue Budget 2024/2025

Place

	ORIGINAL BUDGET 2023/2024 £	ORIGINAL BUDGET 2024/2025 £
Head of Building Services		
Property Preventative Maintenance	2,873,500	2,880,100
Building Services Trading	1,624,300	2,114,200
	4,497,800	4,994,300
Head of Property Services		
Facilities Management	2,198,401	2,275,301
Strategic Estates Properties	550,500	3,802,200
	2,748,901	6,077,501
Head of Highways & Transportation		
Car Parking & Enforcement	-3,709,500	-1,524,200
Transportation	5,417,000	5,986,300
Traffic Management	1,338,200	1,247,800
Central Transport	-483,800	-431,600
Engineering	693,675	749,675
Highways	7,740,725	9,462,225
Swansea Marina	-172,260	-165,260
Directorate & Other Costs	-503,700	-496,700
	10,320,340	14,828,240
Head of Waste Cleansing & Parks		
Household Waste Recycling Centres	1,635,734	1,768,000
Parks	5,038,686	5,405,486
Recycling & Residual Waste Collection	12,344,921	13,975,600
Trade Refuse	-368,955	-395,000
Neighbourhood Working	6,864,614	7,500,714
Directorate & Other Costs	806,600	754,400
	26,321,600	29,009,200
Place Directorate		
Place Directorate	1,357,119	907,919
Arena	-282,300	-525,800
Workstreams	-828,200	-828,200
	246,619	-446,081

Revenue Budget 2024/2025

Place

	ORIGINAL BUDGET 2023/2024 £	ORIGINAL BUDGET 2024/2025 £
Head of Cultural Services		
Archives	250,550	265,150
Arts	2,227,099	2,501,699
Community Buildings	325,000	330,600
Development & Outreach	336,000	350,500
Libraries	3,352,400	3,313,000
Sport & Recreation	2,751,160	2,553,060
Tourism, Marketing & Events	1,824,968	1,836,768
Directorate & Other Costs	190,300	208,000
	11,257,477	11,358,777
Head of Planning & City Regeneration		
Business Support	675,519	715,119
Property Development	733,698	767,098
City Centre Management & Indoor Market	-342,800	-257,400
European & External Funding Team	0	0
Major Projects, Design & Conservation	154,900	103,200
Planning Control	525,200	586,600
Planning Policy & Environment	1,151,300	1,206,000
Directorate & Other Costs	102,183	110,783
	3,000,000	3,231,400
Head of Housing & Public Health		
Building Regulations	161,350	160,350
Burials & Cremations	-1,283,750	-1,315,850
Food Safety	619,390	645,090
Licensing	-43,500	24,400
Pollution	632,900	791,300
Public Health	904,300	784,200
Registrars	-67,950	-74,950
Trading Standards	703,710	650,910
Housing Grants to the Independent Sector	40,500	40,500
Housing Renewals & Adaptations	12,800	49,200
Housing Strategy, Advice & Support	1,850,013	2,390,313
Other Housing Services	553,900	661,500
Directorate & Other Costs	204,600	219,700
	4,288,263	5,026,663
Total Place	62,681,000	74,080,000

Agenda Item 10.



Report of the Section 151 Officer

Council – 6 March 2024

Housing Revenue Account (HRA) Revenue Budget 2024/25

Purpose:	This report proposes a Revenue Budget for 2024/25 for the Housing Revenue Account.
Policy Framework:	None.
Consultation:	Cabinet Members, Finance, & Legal
Recommendation(s):	It is recommended that: 1) The revenue budget proposals as detailed in section 4 be approved.
Report Authors:	Carol Morgan / Ben Smith
Finance Officer:	Peter Keys
Legal Officer:	Adrian Jeremiah
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The setting of the revenue budget has to take account of the following issues and factors:-
- the requirement to maintain the Welsh Housing Quality Standard (WHQS);
 - the requirements of the Renting Homes (Wales) Act 2016
 - the funding requirements of the More Homes Programme;
 - future income and expenditure trends;
 - the Welsh Governments rents policy;
 - cost efficiencies and value for money
- 1.2 The proposals in this report are based on the objective of maximising the resources available for investment in the housing stock to meet Council priorities including maintaining the Welsh Housing Quality Standard (WHQS), to reduce carbon emissions and to build affordable housing in line with the More Homes Programme. These investment priorities have

been carefully balanced against consideration of affordability of rents and other service charges for tenants.

2. Projected Revenue Outturn 2023/24

- 2.1 Rent arrears have been closely monitored and are anticipated to increase by the end of the financial year due to the impacts of the cost of living crisis and energy bill increases. However, these increases have been budgeted for and the current level of Bad Debt Provision is anticipated to be sufficient.
- 2.2 Revenue repairs spend has been monitored and it is forecast that there will be a planned overspend of £1.9m for day to day repairs as a result of higher than anticipated building inflation and dealing with the backlog of repairs due to Covid. In addition, repairs to void properties is forecast to overspend by £2m as additional resources in the form of a new contractors has been sourced. Again this has been done in a planned way in an attempt to reduce the number of void properties and increase the numbers of properties available to let in response to high demand for housing. A further overspend of £760k is forecast for electrical repairs mainly due to the decreased period for electrical testing which was introduced in the Renting Homes legislation. The above overspends have been partly off set by forecast underspends on Gas Servicing, Repairs Prior to Painting and Grounds Maintenance.
- 2.3 The above anticipated overspends will be offset by a reduction in the Revenue Contribution to Capital (RCCO) transfer of £12.0m and a reduction in borrowing costs of £0.636m as a result of slippage in the Capital Programme together with an underspend on employee costs of £0.37m due to higher than anticipated vacancies.

3. Rent Income

- 3.1 The introduction of the Renting Homes (Wales) Act 2016 means that additional notice is required to be given to tenants for any increase in rents. As a result, the rent setting for 2024/25 has been subject to a separate report.
- 3.2 In January 2024 Council approved an average rent increase of 6.0%.rents. The report also proposed an increase in general fees, charges and allowances of 6.0% in line with the agreed rent increase.

4. Revenue Budget Proposals 2024/25

4.1 Overview

- 4.1.1 In line with the requirements of the Welsh Government's Rents Policy, budgets have been examined and where possible savings have been identified.

- 4.1.2 The main budget increases from 2023/24 are an increase in the Revenue Contribution to Capital (RCCO) of £3.73m. An increase in revenue repairs costs of £2.1m as a result of the inflationary pressures set out in 4.2 below. An increase in employee costs of £1.22m to fund a forecast increase for 24/25., other inflationary increases in Housing Management costs of £0.2m and an increase of £0.1m for the provision for bad debts.
- 4.1.3 The main budget savings are a reduction in the finance cost of borrowing of £694k as a result of lower than forecast borrowing due to slippage on the Capital Programme in 23/24.
- 4.1.4 The main changes to funding/income are an increase in rent income of £4.75m arising from the approved rent increase and £0.2m from increases in other charges including charges for furnished tenancies and some sheltered service charges. In addition, there is an increase in HRA investment income due to an increase in interest rates.
- 4.1.5 The main changes from the 2023/24 budget are shown in the following table:-

Item	£000
Increase in Revenue Contribution to Capital	3,725
Increase in Revenue Repairs	2,055
Increase in Employee Costs	1,223
Increase in Other Housing Mgt Costs	209
Increase in the Provision for Bad Debts	100
Increase in HRA Investment Income	-339
Reduction Finance Costs	-694
Increase in Transfer from Reserves	-1,328
Additional income including 6.0% rent increase and increases in other charges	-4,951

- 4.1.6 Income is expected to exceed expenditure next year by £27.8m. This amount together with a contribution from reserves of £4.91m be used to contribute towards the capital programme of £55.1m in 2024/25 in order to maintain prudent levels of borrowing whilst meeting the investment priorities which are needed to maintain the WHQS and for the More Homes Programme.

4.2 *Inflation*

There continues to be significant inflationary pressures on the HRA budget for 2024/2025. The 2024/25 budget includes a 5% increase for pay increases. Revenue Repairs budgets have also been increased as a result of high building industry inflation and increased demand due to a back log of repairs due to Covid. In addition, void repairs budgets have been increased. Some other budgets, have also been amended to reflect a significant increase in prices.

4.3 *Capital Financing Charges*

Capital financing charges will reduce in 2024/25 as a result of the lower than forecast borrowing in previous years.

4.4 *Contributions to the Capital Programme*

The additional income enables a contribution of £33.6m to the capital programme.

5. **Risks and Uncertainties**

5.1 The main risks and uncertainties for next year are the ongoing impact of the economic crisis particularly regarding levels of rental income and rising costs due to inflation.

6. **Reserves**

6.1 As a result of lower than forecast RCCO due to slippage on the Capital Programme in 23/24, the HRA predicted reserves balance at the start of the year will be £13.931m. This is higher than the level of reserves which is considered to be absolutely necessary to be prudent and therefore £4.906mk of reserves will be used to finance capital expenditure in 2024/25. The reserves position is detailed in Table B.

7. **Integrated Assessment Implications**

7.1 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.

7.2 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'.

7.3 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.

- 7.4 An IIA screening form has been completed and reviewed. The agreed outcome was that a full IIA report is not required at this time. Proposals for changing levels of funding in specific areas have been subject to a screening process. Service managers have considered the implications of proposed budgetary decisions and believe that the proposed budget protects the most vulnerable and will not disproportionately impact on protected groups.

8. Legal Implications

- 8.1 There are no legal implications associated with this report.

Background Papers: None

Appendices:

Appendix 1 - Table A: Summarised HRA 2023/24 to 2024/25

- Table B: Movement in Balances 2023/24 to 2024/25

Appendix 2 – Integrated Impact Assessment Screening Form

Table A: Summarised HRA 2023/24 to 2024/25

Classification	Budget 2023/24	Budget 2024/25
	£'000	£'000
<u>Expenditure</u>		
Management and Maintenance	40,907	44,493
Capital Charges	10,121	9,427
Revenue Funding for capital schemes	29,899	33,624
Increase in Balances	0	0
Total Expenditure	80,927	87,544
<u>Income</u>		
Rents and other income	77,003	82,292
Affordable Housing Grant	346	346
Contribution from in Balances	-3,578	-4,906
Total Income	80,927	87,544

Table B: Movement in Reserves 2023/24 to 2024/25

Description	£000's
Actual balance at 1 st April 2023	-10,408
Budgeted reduction 23/24	3,578
Budgeted balance 31st March 2024	-6,830
Forecast change 2023/24	-3,523
Forecast balance 31st March 2024	-13,931
Budgeted change 2024/25	4,906
Forecast balance 31st March 2024	-9,025

Integrated Impact Assessment Screening Form – Appendix 2

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Housing and Public Health

Directorate: Place

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

This report proposes a HRA Revenue Budget for 2024/25

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

further	High Impact		Medium Impact		Low Impact		Needs investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches? Please provide details below – either of your activities or your reasons for not undertaking involvement

The setting of the revenue budget has to take account of the following issues and factors:-

- the requirement to maintain the Welsh Housing Quality Standard (WHQS);
- the funding requirements of the More Homes Programme;
- future income and expenditure trends;
- increases in rent in line with the Welsh Government rent policy;
- cost efficiencies and value for money

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
 Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
 Yes No
- c) Does the initiative apply each of the five ways of working?
 Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
 Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk | Medium risk | Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below

Building Services, Legal, Finance

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

Proposals for changing levels of funding in specific areas have been subject to a screening process. Service managers have considered the implications of proposed budgetary decisions and believe that the proposed budget protects the most vulnerable and will not disproportionately impact on protected groups.

Outcome of Screening

Q8 Please describe the outcome of your screening below:

- **Summary of impacts identified and mitigation needed (Q2)**
 - **Summary of involvement (Q3)**
 - **WFG considerations (Q4)**
 - **Any risks identified (Q5)**
 - **Cumulative impact (Q7)**

An IIA screening form has been completed and reviewed. The agreed outcome was that a full IIA report is not required at this time. Proposals for changing levels of funding in specific areas have been subject to a screening process. Service managers have considered the implications of proposed budgetary decisions and believe that the proposed budget protects the most vulnerable and will not disproportionately impact on protected groups.

(NB: This summary paragraph should be used in the relevant section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Paul Lilley
Job title: Housing Finance and IT Manager
Date: 30/01/24
Approval by Head of Service:
Name: Carol Morgan
Position: Head of Housing and Public Health
Date: 30/01/24

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 11.



Report of the Section 151 Officer

Council – 6 March 2024

Capital Budget & Programme 2023/24- 2028/29

Purpose:	This report proposes a revised capital budget for 2023/24 and a capital budget for 2024/25 - 2028/29.
Policy Framework:	Medium Term Financial Plan and Capital Strategy 2023/24 – 2028/29
Consultation:	Cabinet Members, Corporate Management Team (CMT), Legal, Finance and Access to Services
Recommendation(s):	It is recommended that Council: 1) Approves the revised capital budget for 2023/24 and the capital budget for 2024/25 – 2028/29 as detailed in appendices A, B C, D, E, F and G.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

1.1 This report details:

- Revised capital expenditure and financing proposals for 2023/24
- Capital expenditure and financing proposals for 2024/25 – 2028/29

1.2 Capital spending and funding proposals in relation to the Housing Revenue Account (HRA) are detailed in a separate report to be considered.

1.3 The capital budget proposals are detailed in appendices to this report as follows:

- Appendix A Total General Fund Capital Budget Expenditure 2023/24 - 2028/29
- Appendix B Total General Fund Financing 2023/24 - 2028/29

- Appendix C General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2023/24 - 2028/29
- Appendix D C21st Schools Programme Band A Capital Expenditure and Budget 2012/13 – 2023/24
- Appendix E QEd/Sustainable Communities for Learning Programme Capital Expenditure and Budget 2017/18 – 2028/29
- Appendix F Swansea Central City Deal Capital Expenditure and Budget 2018/19 – 2024/25
- Appendix G Material changes to the original 2023/24 budget

Further review of the Capital Programme will be undertaken in the form of a fundamental mid-year review during 2024/25, which will further update and refine these appendices.

- 1.4 Appendix A, C, D, E and F outline a comprehensive programme of capital investment including:
- The continued investment in Swansea Schools through Band B, which now has five completed projects, and the first five years of the proposed nine-year rolling programme of the QED/Sustainable Communities for Learning Schools Programme.
 - Swansea Bay City Deal schemes, the completion of Phase 1 the North Block including the Arena with further elements due for completion during the coming 12 months and continuation of construction of Phase 2 Digital Village 71-72 Kingsway Offices
 - A significant programme of work on Mumbles Seawall repairs, Hafod Copperworks and our Community Hub Development.
- 1.5 The additional capital investment identified above will attract significant grant funding (QED/Sustainable Communities for Learning Schools Programme and Swansea Bay City Deal), however the programme will still require material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore, some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.
- 1.6 Notwithstanding this scale of ambition, each major scheme will, as is always the case, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate, and unsupported borrowing will be undertaken on a phased basis within the overall medium/long term envelope of affordability.

Furthermore, it has to be recognised that the scale of funding proposed to be injected by this Council, leverages in significant additional sums:

- £304.606m of Welsh Government funding for the Sustainable Communities for Learning nine year rolling programme,
- a City Deal, worth, across the region, around £1.3 billion.

The Council continues to face significant challenges delivering the Capital Programme during uncertain economic times with high inflation impacting on capital budgets.

- 1.7 The QED/Sustainable Communities for Learning Programme represents the largest single component of capital investment incorporated within the proposed capital programme. The numerous schemes comprise new school builds and significant asset improvements for both English and Welsh medium Schools throughout Swansea.
- 1.8 The Swansea City & Waterfront Digital District project is one of nine projects comprising the wider City Deal. It has been developed by the Council, in partnership with University of Wales Trinity Saint David (UWTSD). The core aim of the project is to create a strong and vibrant digital city that will be the economic engine of the wider city region. There are 3 main components: an Innovation Matrix and Innovation Precinct project (led by UWTSD); a Digital Village, which includes 100,000 sq. ft. of flexible and affordable office accommodation for tech businesses (led by the Council); and a Digital Square and Arena which has delivered a 3,500 capacity Digital Arena and associated developments (also led by the Council).

A 5-case business model was approved by UK and WG which sets out the project in great detail, including the benefits, costs, procurement process and income derived. Practical completion of the Arena was achieved in March 2022 and the tenant and operator the Ambassador Theatre Group (ATG) have signed a 30 year lease, and have sold 145,000 tickets to March 2023 with 250,000 through their doors.

With regard to Digital Village, a contractor has been procured and funding authorised through an FPR7 report. Construction is well advanced with completion anticipated in March 2024 followed by a four-month fit out programme. The Council, through the Shaping Swansea procurement process, has appointed Urban Splash as a long-term development partner and entered into a 20-year Strategic Partnership Agreement. Urban Splash are currently engaged in the feasibility stage of several of the 7 sites, with the Swansea Central Hub office development being targeted for cabinet in June to consider the proposal and funding agreement. The partner and the Council will then progress the 7 sites as set out in the procurement process.

Cabinet, through an FPR7 report, approved the capital funding to reimagine Castle Square to create a step change in the quality of its public realm. An increased level of green space with up to 4 new commercial units will create a new destination which will make it more active, distinctive, and vibrant in line with other regeneration investment which is taking place in the city centre. A contractor has been appointed and progressing the next stage of design through a Pre-Contract Service Agreement to inform a cabinet report in June. A start on site will quickly follow.

2. Capital Budget 2023/24 – 2028/29

- 2.1 Total General Fund Expenditure in the current year is forecast to be £142.368m (see Appendix A) an increase of £37.5m (see Appendix G) compared with the original estimate of £104.004m excluding waste provision.

This increase is due to the following:

- The addition of grant funded and non-grant funded schemes after Council approved the capital budget in March 2023, together with increases in the cost of schemes due to inflation levels over the past two years.
- Reprofiled forecast Cashflow of Swansea Central City Deal Arena scheme

and 71-72 Kingsway Offices

- The net balance of schemes reprofiled from 2022/23 into 2023/24 and schemes reprofiled from 2023/24 into 2024/25.

2.2 The proposed capital programme 2023/24 – 2028/29 and associated financing is set out below in 2.3 for The General Fund Programme, 2.4 for QED/Sustainable Communities for Learning Schools Programme and 2.5 for the Swansea Central City Deal Programme.

2.3 The General Fund Programme and Financing 2023/24 -2028/29

2.3.1 The General Fund programme is detailed in Appendix C. The attached proposals exclude the Housing Revenue Account capital budget which is detailed in a separate report.

2.3.2 The Capital Budget report considered by Council on 2nd March 2023 outlined an unsupported borrowing requirement for the in-year and five year forward programme of £126.153m.

2.3.3 The updated total Capital programme which includes QED/Sustainable Communities for Learning Schools Programme and Swansea Central City Deal schemes highlights a 5 year forward expenditure programme plus 2023/24 of £431.532m (Appendix A) identifying an unsupported borrowing requirement of £147.559m (Appendix B). The capital planning envelope for unsupported borrowing requires significant revenue funding to service the finance and this is set out in both the reports on the revenue budget and the medium term financial plan.

2.3.4 Phased, considered affordable borrowing, within the overall planning envelope has developed over recent years and, in the case of the funding, from the City Deal, across the next 10 years. Some Major schemes within the General Fund Capital Programme which are partially or fully financed by borrowing are as follows:

- Swansea Central Arena phased development
- Digital Village, 71-72 Kingsway offices
- Community hub development
- Castle Square Regeneration
- Palace Theatre development
- Swansea Vale new car park where borrowing will be financed by future rental income.

2.3.5 Although there is significant accompanying grant funding and City Deal funding for a number of these schemes, there is a substantial unsupported borrowing requirement to underwrite these schemes. The detailed financing for the City Deal schemes is shown in Appendix B.

2.4 Schools Programme and Financing 2023/24 – 2028/29

2.4.1 In July 2017 Cabinet endorsed the council's Band B of the 21st Century Schools Strategic Outline Programme and the proposed capital investment priorities. Since the initial approval there have been several other changes within the programme. The Welsh

Government capital grant intervention rate was set at 50% for Band B, but Welsh Government announced on 21 November 2018, that the Band B intervention rate for capital projects would be increased to 65%, and for special schools and PRUs to 75%. The intervention rate for voluntary aided projects remained unchanged at 85%. In September 2023, Cabinet endorsed an uplift to the programme envelope to £176m, with a switch to wholly capital funding (instead of using the Mutual Investment Model for some of the projects).

- 2.4.2 Since 2017, the remaining Band A project – a new build for Gorseinon Primary School – has been completed. The completed Band B projects are new builds for the Pupil Referral Unit (Maes Derw), YGG Tan y Lan and YGG Tirdeunaw, and new blocks and refurbishment and remodeling for Ysgol Gyfun Gwyr and Bishopston Comprehensive School.
- 2.4.3 Band B ends on 31 March 2024 and councils are now required to submit a new Strategic Outline Programme (SOP) to the Welsh Government for a rolling programme by 31 March 2024.
- 2.4.4 The nine-year capital programme, extending to 2032/33 and including an indicative funding forecast for the nine years, is required to be submitted to the Welsh Government for consideration towards providing a commitment and support for the first three years along with in-principle support for years 4, 5 and 6. Years 7 to 9 will reflect the longer-term project pipeline. Band B projects not yet completed can be included at the beginning of the nine-year capital programme.
- 2.4.5 The new draft rolling programme was the subject of a separate report submitted to Cabinet on 15 February 2024 which detailed the expected costs and funding. The report was approved at Cabinet therefore the next step will be to submit the Strategic Outline Programme by 31st March 2024 for scrutiny by WG policy teams over a period of several months.
- 2.4.6 If approved, each of the investment priorities will be subject to detailed business case development and further WG approvals, together with separate reports to Cabinet for decision. Some of the priorities may require statutory consultation and catchment area reviews. These will be the subject of separate Cabinet reports.

2.5 Swansea Central City Deal Programme and Financing

- 2.5.1 The Swansea Central City Deal Phase 1 Arena scheme construction phase was approved at Cabinet on 21 November 2019 at a cost of £134.837m, subsequently increased for additional elements to £135.1m (Appendix F). The detailed outstanding financing for this scheme is shown in Appendix B and spend will be funded from a combination of City Deal grant, capital receipts and unsupported borrowing.
- 2.5.2 Swansea Central City Deal Phase 2 Digital Village scheme construction has commenced on site. The current approved financing for this scheme at a total of £41.592m is shown in Appendix F which is funded from a combination of City Deal grant, unsupported borrowing and contributions.

2.6 Financing the Capital Programme

- 2.6.1 The financing for the General Fund capital programme identified in 2.3, 2.4 and 2.5 is detailed in Appendix B and requires unsupported borrowing of £147.559m towards forecast expenditure of £431.532m (Appendix A).
- 2.6.2 It should be noted that efforts to increase and maximize grants, contributions and capital receipts in order to minimize borrowing requirements are pursued throughout the year. Included within the programme are a number of schemes which are self-financing. Indeed, there is a clear strategy for the Council to maximize external investment in any proposals and to seek to target its own investment into areas which offer a return commensurate with or greater than financing costs in order to minimise the Revenue impact of any additional borrowing requirements. In the absence of such a strategy then it has to be realised that any capital expenditure that leads to an overall net increase in borrowing costs brings with it the potential to impact on an already challenging revenue budget scenario going forward.
- 2.6.3 It is recognized that a forecast capital financing requirement of £147.559m remains significant. The revenue implications of this are identified in the revenue budget and medium term financial plan on this agenda. The above programme is affordable and sustainable throughout the lifetime of the medium term financial plan subject to the risks highlighted below.
- 2.6.4 It should be noted that the Council makes an annual budget provision to repay debt through what is known as the Minimum Revenue Provision (MRP). The MRP policy was revised and approved by Council on Dec 20th 2018, mitigating the impact of revenue provision in the earlier years, aligning the repayment of the debt with the lifetime of the asset. It was recognised there would be short term 'savings' which would reverse in later years, therefore the establishments of the capital equalization reserve was approved by Council to mitigate and forward plan for the same. Advantage was taken of the low interest rate and volatility in the market to externalise some of its borrowing requirement in 2018/19, by borrowing £90m, although the overall strategy is to mitigate the impact of interest charges by utilising internal resources to meet Cashflow demands but opportunities to take advantage of long-term value shall be taken when deemed appropriate. Notwithstanding this and noting the already emerging risks to the upside to long term interest rates and the significant capital financing identified by this report, it was determined that in line with good Treasury Management practice and being mindful of interest rate movements and cashflow requirements, that during the financial year 2021/22, a further £120m of PWLB borrowing was undertaken. This borrowing was taken in 3 separate tranches at an average of 1.94% during the year. (This is the cheapest borrowing ever undertaken by this Council). It should be noted that the decision to defer this funding from 2018/19 to 2021/22 was explicit, whilst the PWLB premium was in place and consultation to changes was ongoing. This deferral has therefore avoided the 1%

premium imposed on PWLB borrowing during that time.

2.6.5 Noting the programmed profile of grant payments in respect of The Swansea Bay City Deal Financing, it has been determined prudent to utilise the already established Capital Equalisation Reserve, with which to mitigate and smooth the timing differences between funding and capital spend during the early years of the programme.

3. Future Schemes

3.1 The Capital programme as outlined in this report reflects known planned expenditure and financing as at the date of the report.

3.2 Future discretionary projects and schemes shall only be incorporated if they are within the current planning envelope assumption of up to an additional £50m of borrowing already assumed, are self-financing or the associated additional financing costs can be supported from likely future revenue budgets affordably and sustainably. The costs of financing the same are forecast to be materially higher than the recent past noting the rising GILT yield environment, which in turn may limit the capital secured for any policy choice over the balance between revenue and capital priorities. Policy choices will also continue to be made on the degree of public subsidy that any individual schemes may require having due regard to our obligations to lead and shape regeneration and pump prime wider investment activity.

4. Risks

4.1 There are significant risks which may require a future revision of the attached six-year capital budget. In particular:

- urgent capital maintenance requirements
- unforeseen costs e.g. failure of retaining walls
- failing to achieve the General Fund capital receipts target
- failing to deliver revenue budget savings as identified in the Revenue Budget Report
- capital financing charges arising from additional unsupported borrowing which cannot be met from existing revenue budgets.
- additional costs arising from any other additions to the Capital programme
- increased borrowing costs

Mitigation in respect of the latter four risks will be achieved by continual review and consideration of individual business cases for the larger schemes.

5. Legal Implications

5.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

6. Prudential Code

6.1 Under the Local Government Act 2003 and subsequent regulations, a local authority is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when setting its budget and must determine and keep under review how much it can afford to borrow. In addition, a local

authority must also set out its overall capital strategy and ensure that if it is to be funded via PWLB satisfies the now implemented borrowing criteria.

- 6.2 Two further reports on the agenda will detail what is required under the requirement of the Code and set out in detail Prudential Borrowing Indicators for 2024/25 and subsequent years and outline the overall Capital Strategy of the Authority.

7. Integrated Assessment Implications

- 7.1 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 their own needs.

- 7.2 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'.

- 7.3 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.

- 7.4 An integrated impact assessment screening has been undertaken and it concludes that there are no equality impact implications arising from this report. All future programs and schemes covered within this report will be subject to their own Integrated Impact Assessment process.

Background Papers: None

Appendices:

- Appendix A Total General Fund Capital Budget Expenditure 2023/24 - 2028/29
- Appendix B Total General Fund Financing 2023/24 - 2028/29
- Appendix C General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2023/24 - 2028/29
- Appendix D C21st Schools Programme Band A Capital Expenditure and Budget 2012/13 – 2023/24
- Appendix E QEd/Sustainable Communities for Learning Programme Capital Expenditure and Budget 2017/18 – 2028/29
- Appendix F Swansea Central City Deal Capital Expenditure and Budget 2018/19 – 2024/25
- Appendix G Material changes to the original 2023/24 budget
- Appendix H Integrated Impact Assessment

Total General Fund Capital Budget Expenditure 2023/24 - 2028/29

Appendix A

		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total General Fund (Excluding C21st School and Swansea Central City Deal schemes)	App C	112,940	81,179	26,414	15,774	15,053	12,943	264,303
C21st Schools Band A	App D	121						121
QEd/Sustainable Communities for Learning Schools Programme Band B	App E	2,168	2,510	11,171	42,649	53,372	15,264	127,134
City Deal Swansea Central Phase 1 Arena	App F	3,317	9,789					13,106
City Deal Swansea Central Phase 2 Digital Village	App F	24,151	2,717					26,868
Total General Fund (including Schools and City Deal schemes)		142,697	96,195	37,585	58,423	68,425	28,207	431,532
Less waste provision		-329						
Total General Fund (including Schools and City Deal schemes) excluding waste provision		142,368	96,195	37,585	58,423	68,425	28,207	431,203

Total General Fund Financing 2023/24 - 2028/29

Appendix B

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
GF Financing (Excluding C21st Schools and Swansea Central City Deal)	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Supported Borrowing							
Welsh Government Supported Borrowing	6,355	6,385	6,385	6,385	6,385	6,385	38,280
Grants and Contributions							
Welsh Government General Capital Grant	6,527	6,558	6,558	6,558	6,558	6,558	39,317
Welsh Government specific grants	25,567	2,953	0	0	0	0	28,520
European grants	500	0					500
Other Grants	3,263	17,985					21,248
Contributions	926	1,216	56	0	0	0	2,198
City Deal	268						268
Capital Receipts							
Earmarked Capital receipts	1,072	1,243	56				2,371
General Capital receipts	1,902	5,109	902	200			8,113
Revenue and Reserve Contributions (including provision for waste schemes)							
	14,056	9,266	2,404	500	2,110	0	28,336
Financing excluding unsupported borrowing	60,436	50,715	16,361	13,643	15,053	12,943	169,151
Unsupported borrowing requirement	52,504	30,464	10,053	2,131	0	0	95,152
GF Financing (Excluding C21st Schools and City Deal)	112,940	81,179	26,414	15,774	15,053	12,943	264,303
C21st School Band A Financing							
Unsupported borrowing requirement	121						121
C21st School Band A Financing	121	0	0	0	0	0	121

Total General Fund Financing 2023/24 - 2028/29

Appendix B

QEd/Sustainable Communities for Learning Band B Financing							
WG Traditional capital grant funding	104		6,500	36,138	36,871	9,737	89,350
WG Welsh Medium grant	0	0	0	0			0
WG Mutual Investment Model financing (including VA school)			0	0			0
CCS Mutual Investment Model financing		0	0				0
S106 and other Contributions	16	0	0	156	3,681		3,853
Unsupported borrowing requirement	2,048	2,510	4,671	6,355	12,820	5,527	33,931
QEd/Sustainable Communities for Learning Band B Financing	2,168	2,510	11,171	42,649	53,372	15,264	127,134
Swansea Central City Deal Schemes Financing							
Swansea Central Phase 1 Arena Financing							
Capital receipts	2,021	2,879					4,900
City Deal funding	61	4,808					4,869
Grants (ERDF)	0	308					308
Unsupported borrowing requirement	1,235	1,794					3,029
Swansea Central Phase 1 Arena Financing	3,317	9,789	0	0	0	0	13,106
Swansea Central Phase 2 Digital Village							
City Deal funding	10,942	0					10,942
Contribution	100	0					100
WG ERDF grant	500	0					500
Unsupported borrowing requirement	12,609	2,717					15,326
Swansea Central Digital Arena Financing	24,151	2,717	0	0	0	0	26,868
Swansea Central City Deal Schemes Financing	27,468	12,506	0	0	0	0	39,974

Total General Fund Financing 2023/24 - 2028/29

Appendix B

Total General Fund Financing	142,697	96,195	37,585	58,423	68,425	28,207	431,532
Total General Fund Unsupported Borrowing Requirement							
General Fund Unsupported borrowing requirement	52,504	30,464	10,053	2,131	0	0	95,152
C21st School unsupported borrowing requirement Band A	121	0	0	0	0	0	121
QEd/Sustainable Communities for Learning unsupported borrowing requirement Band B	2,048	2,510	4,671	6,355	12,820	5,527	33,931
Swansea Central City Deal schemes unsupported borrowing requirement	13,844	4,511	0	0	0	0	18,355
Total GF unsupported borrowing requirement including C21st Schools and Swansea Central City Deal schemes	68,517	37,485	14,724	8,486	12,820	5,527	147,559

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2023/24 - 2028/29

Appendix C

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Directorate							
Resources (see schemes below)	5,564						5,564
Education (see schemes below)	7,659						7,659
Social Services (see schemes below)	1,767	1,560	500	500			4,327
Place (see schemes below)	97,950	79,619	25,914	15,274	15,053	12,943	246,753
Total Expenditure	112,940	81,179	26,414	15,774	15,053	12,943	264,303
Director of Resources							
Digital & Transformation							
Hwb in schools Infrastructure	34						34
Digital Business Strategy	225						225
Agile IT - mobile phones	721						721
Agile IT - accessories	146						146
Mobile IT - laptops	1,850						1,850
ERP System Upgrade	30						30
ICT equipment staff reimbursement scheme	333						333
Network switches for Guildhall	2						2
Data Centre relocation	31						31
WIFI in commercial areas	300						300
Capital creditors for 2022-23 paid in 2023-24							
Financial Services							
Corporate Capital Contingency	1,892						1,892
Total for Director of Resources	5,564						5,564
Director of Education (excluding 21st Century schools programme)							
Primary and secondary school schemes (not within C21st programme - October 2023)	2,934						2,934
Clwyd Primary pitch drainage	86						86
Pontarddulais Comprehensive							

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2023/24 - 2028/29

Appendix C

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Reducing Infant Class sizes	107						107
3G pitch Olchfa School	1,370						1,370
Free School Meals infrastructure / equipment	2,947						2,947
Capital creditors for 2022-23 paid in 2023-24	215						215
Total for Director of Education	7,659						7,659
Director of Social Services							
Residential home for young people	344	750					1,094
Nant-y-felin conversion		103					103
Life-long learning scheme purchase of IT equipment and van							
Borfa activity centre		57					57
Child & Family Services Early Help Hubs	350	150					500
Child & Family Rhossili Emergency Accommodation	390						390
Adult Services Residential Care Settings	300	300	300	300			1,200
Adult Services Day Service Provision	200	200	200	200			800
Other Social Services Schemes	183						183
Capital creditors for 2022-23 paid in 2023-24							0
Total for Director of Social Services	1,767	1,560	500	500			4,327
Director of Place							
Highways & Transportation							
Active Travel schemes	5,366						5,366
Local Transport Fund schemes	5,050	2,000					7,050
Safe Routes in Communities, Road Safety and 20mph grant schemes	3,488						3,488
Structural maintenance roads, including carriageway resurfacing, footways and lighting	3,257						3,257
Highways annual allocation		3,468	3,468	3,468	3,468	3,468	17,340
Highways additional - Street Lighting conversion to LED	145						145

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2023/24 - 2028/29

Appendix C

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Highways additional funding from internal resources	4,000	2,000	1,000				7,000
Seawall repairs Mumbles	5,374	12,000	3,442				20,816
Highways & Transportation Vehicle replacement programme and Integrated Transport Unit vehicles	1,002	1,740					2,742
Lower Tawe Riverside West SUP	388						388
Slip Bridge Refurbishment	139						139
Pont-y-Lon Bridge		656					656
Bascule Bridge	366						366
Other Bridges & retaining Walls	559						559
Morfa Culvert	800						800
Drainage and flood alleviation grant schemes	1,515						1,515
Marina barrage schemes	105						105
Other highways schemes	1,678						1,678
Waste Management and Parks							
Tir John works (provision)	329	1,781	177		150		2,437
Facility to collect and recycle electrical waste	71	36					107
Rhosilli / Mumbles Changing Places toilets	282						282
Playground upgrades	1,353	771	727				2,851
Other waste schemes	714	184			1,960		2,858
Culture,Sport,Leisure & Tourism							
Leisure Centre improvements (Freedom Leisure schemes)	54	76					130
Cefn Hengoed Community Hub	3,612	148					3,760
Mynydd Newydd Changing Rooms Linked to Bryntawe 3G Pitch	256	235					491
3G Pitch renewal Phoenix Centre	2						2
Ashleigh Road Hockey pitch resurface	19						19
Library Service		45					45
Glynn Vivian Art Gallery	75						75
Dylan Thomas Exhibition relocation	93						93
Brangwyn Hall lighting	27						27

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2023/24 - 2028/29

Appendix C

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Culture, Sport, Leisure & Tourism schemes	929	672					1,601
Economic Regeneration & Planning (Excluding Swansea Central City Deal schemes)							
Kingsway Urban Parkway (Barclays renovation)	1,804						1,804
Wind Street improvements	27	210					237
Skyline	4,215	2,600	1,500				8,315
Hafod/Morfa Copperworks Laboratory Building	2,117	18,267	6,013	2,331			28,728
Community Hub development	7,526	13,400	1,000				21,926
City Centre acquisition	135						135
Swansea Vale infrastructure/studies	4	1,113	112				1,229
Palace Theatre Redevelopment	5,313						5,313
Castle Square redevelopment	9,925	67					9,992
Re-purposing Swansea	500						500
Valleys Task force Covid recovery schemes		226					226
Economic Stimulus	481						481
Swansea Market Improvements	327	217					544
Other regeneration schemes	425	1,141					1,566
Housing GF							
DFG's - 1996 Act	5,000						5,000
Housing GF annual allocation		5,200	5,200	5,200	5,200	5,200	26,000
Sandfields Renewal Area	13	130					143
Property Appreciation Loans	250	150					400
Grant For Nominations	46						46
Comfort Safety & Security Grants (CSS)	17	40					57
Mini Adaptation Grants (MAG)	600						600
Valleys Task Force Empty Properties Scheme	18						18
Western Valleys Empty Properties Scheme	174						174
Warm Homes Fund	295						295
Gypsy Traveller sites Annual Allocation	35	61	61	61	61	61	340
Other Housing GF schemes	8						8

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2023/24 - 2028/29

Appendix C

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Corporate Building							
Capital Maintenance allocated including Schools additional capital maintenance	7,598						7,598
Capital Maintenance annual allocation	1,847	3,214	3,214	3,214	3,214	3,214	17,917
Civic Centre Relocation				1,000	1,000	1,000	3,000
Corporate Property							
Accommodation Strategy (agile working)	1	1,161					1,162
Depot Review (including Pipehouse Wharf Replacement)	726						726
Property Portfolio (the funding for this will be repaid by future rental income)		736					736
Energy Efficiency schemes funded by WG Salix loan	74						74
Swansea Vale new car park facility		3,100					3,100
Tir John Solar Panel Farm	25	2,238					2,263
Capital Community Schemes for Play and Highways							
ERF Schemes	1,122	500					1,622
Acquisition of Blackboy Public House Killay	388						388
Other Corporate Property schemes	171	36					207
Place Capital creditors for 2022-23 paid in 2023-24	5,695						5,695
Total for Director of Place	97,950	79,619	25,914	15,274	15,053	12,943	246,753
Totals	112,940	81,179	26,414	15,774	15,053	12,943	264,303

C21st Schools Programme Capital Expenditure and Budget 2012/13 - 2023/24

Appendix D

	to 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Band A	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Forecast spend	£'000
Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Morriston Comprehensive Refurbishment	5,445	11,916	4,271	128	2	164							21,926
21st Century Schools Programme (Band A)													
Phase 1													
Burlais Primary new school build	17	453	5,941	1,266	94	185	10						7,966
Gowerton Primary new school build	16	446	2,193	3,833	136	2			5				6,631
YGG Lon Las rebuild and remodel		66	108	2,672	6,202	357	130	277					9,812
Glyncollen and Newton Primary improvements		393	1,007										1,400
Phase 2													
Pentrehafod remodelling				52	3,704	6,951	3,418	539	281				14,945
Gorseinon Primary new school build			51	332	11	30	6	3,887	2,163	94	48	121	6,743
Pentre'r Graig Primary improvements			97	1,117	1,429	21							2,664
YG Gwyr improvements			50	109	766	246	6						1,177
Total Expenditure	5,478	13,274	13,718	9,509	12,344	7,956	3,570	4,703	2,449	94	48	121	73,264

QEd/Sustainable Communities for Learning Schools Programme Capital Expenditure and Budget 2017/18 - 2028/29

Appendix E

			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Band B	Progress		Actual spend £'000	Actual spend £'000	Actual spend £'000	Actual spend £'000	Actual spend £'000	Actual spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	Forecast spend £'000	£'000
Expenditure															
QEd/Sustainable Communities for Learning Programme (Band B)															
Education other than at School new build for Maes Derw	Capital	Complete	155	607	3,777	4,919	100	259	58						9,875
YGG Tan-y-Lan	Capital	Complete	2	177	219	4,601	3,996	541	337						9,873
YG Gwyr	Capital	Complete		112	187	3,622	1,714	1,219	247						7,101
YG Bryntawe	Capital	Pre-construction stage			14	73	64	100	150	50	100	14,082	3,719		18,352
YGG Tirdeunaw	Capital	Complete		165	141	5,172	5,509	564	210						11,761
Bishopston Comprehensive School	Capital	Complete	35	100	448	5,834	4,404	3,843	500						15,164
Gowerton Comprehensive School	Capital	Pre-construction stage			15	10	4	296	100	250	500	10,022	15,032	6,139	32,368
Loughor / Kingsbridge Welsh medium primary and English medium primary	Capital	Pending										250	15,695		15,945
YGG Crug Glas & Penybryn	Capital	Pre-construction stage					12	200	500	1,660	6,750	16,125	17,375	1,110	43,732
St Joseph's Cathedral School	VA	Pending											200	8,015	8,215
Clydach Primary School	Capital	Pending											1,351		1,351
Bishop Vaughan Catholic School (former Daniel James site)	VA	Pending							66	550	3,821	2,170			6,607
Total Expenditure			192	1,161	4,801	24,231	15,803	7,022	2,168	2,510	11,171	42,649	53,372	15,264	180,344

Swansea Central City Deal Programme Capital Expenditure and Budget 2018/19 - 2024/25

Appendix F

Swansea Central Phase 1 Arena	spend to 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Actual spend £'000	Actual spend £'000	Actual spend £'000	Actual spend £'000	Actual spend £'000	Forecast spend £'000	Forecast spend £'000	£'000
Expenditure								
RIBA stage 4, enabling works and fees	9,413	9,499						18,912
Construction including main contract and internal staff		11,290	57,162	32,854	1,769	3,317	9,789	116,181
Total Expenditure	9,413	20,789	57,162	32,854	1,769	3,317	9,789	135,093

Funding

WG and WEFO grant funding							308	308
City Deal funding						61	4,808	4,869
Capital receipt						2,021	2,879	4,900
Borrowing						1,235	1,794	3,029
Total funding						3,317	9,789	13,106

Swansea Central Phase 2 Digital Village (71-72 Kingsway Offices)	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure								
Design & Planning	343	903	851	1,098				3,195
Construction including main contract and internal staff				1,409	10,120	24,151	2,717	38,397
Total Expenditure	343	903	851	2,507	10,120	24,151	2,717	41,592

Funding

City Deal funding (note City Deal funding will be annual across 15 years)						10,942		10,942
Borrowing						12,609	2,717	15,326
WG grant (ERDF)						500		500
S106						100		100
Total funding						24,151	2,717	26,868

Material Changes to the 2023/24 Capital Budget

Appendix G

Scheme	Source of Funding	2023/24 Change £'000
<u>Director of Education</u>		
Additional Learning Needs Capital Grant 23/24	Grant	1,459
Community Focused Schools Capital Grant 23/25	Grant	1,410
Cwmrhydyceirw Primary Classroom Extension	Contribution S106	150
<u>Director of Social Services</u>		
Child & Family Services Early Help Hubs	Revenue	350
Child & Family Rhossili Emergency Accommodation	Revenue	390
Adult Services Residential Care Settings	Revenue	300
Adult Services Day Service Provision	Revenue	200
<u>Director of Place</u>		
<u>Highways & Transportation</u>		
Local Transport Fund 23/24	Grant	5,050
Ultra Low Emission Transformation Vehicle Fund 23/24	Grant	577
Safer Routes In Communities 23/24	Grant	138
20mph Grant 23/24	Grant	2,952
Active Travel Fund 23/24	Grant	5,367
Highways & Transportation Vehicle Replacement Programme	Revenue	114
Purchase 2 Pre-used Minibuses	Revenue	67
Carriage Resurfacing	Revenue/Reprofile	2,000
LED Promenade Lighting Mumbles to St Helens	Revenue	400
Dropped Crossings	Revenue	70
New Street Lights Near Mansion Gardens Penllergaer	Revenue	23
<u>Waste Management</u>		
Essential Playground Works	Revenue	1,018
Parks & Cleansing Machinery Replacement Capital Programme 23/24	Revenue	467

Scheme	Source of Funding	2023/24 Change £'000
Rhossili Public Toilets 23/24	Grant/Revenue	200
Culture & Tourism		
Cefn Hengoed Community Hub	Revenue	266
Myndd Newydd Changing Rooms	Revenue	50
Re-surface of the All-Weather Surface at Elba Sports Complex	Grant/Contribution	246
Mobile Street Sports Facility	Revenue	500
Demountable Spectator Stand Swansea Bay Sports Park	Grant/Revenue	95
Economic Regeneration & Planning		
Palace Theatre	Grant/Borrowing	4,567
Levelling Up Fund - Lower Swansea Valley Programme	Grant	2,117
Copperopolis River Pontoons	Grant/Borrowing	254
Swansea Market Improvements	Grant/Revenue	101
Corporate Building		
SCL - Capital Maintenance and Energy Efficiency Works	Grant	3,610
Ashlands Community Sports Centre	Revenue	180
TOTAL MATERIAL CHANGES		34,688
All other variations	Various	2,856
TOTAL CHANGES		37,544

Integrated Impact Assessment Screening Form – Appendix H

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Accountancy

Directorate: Finance

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

Capital Budget 2023/24 and programme 2024/25 – 2028/29

The report outlines a comprehensive programme of capital investment including:

- The continued investment in Swansea Schools through Band B, which now has five completed projects, and the first five years of the proposed nine-year rolling programme of the QED/Sustainable Communities for Learning Schools Programme.
- Swansea Bay City Deal schemes, the completion of Phase 1 the North Block including the Arena with further elements due for completion during the coming 12 months and continuation of construction of Phase 2 Digital Village 71-72 Kingsway Offices
- A significant programme of work on Mumbles Seawall repairs, Hafod Copperworks and our Community Hub Development.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Integrated Impact Assessment Screening Form – Appendix H

Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches? Please provide details below – either of your activities or your reasons for not undertaking involvement

Engagement not required for the overall capital budget. Engagement and consultation is undertaken for individual capital schemes

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
 Yes No

- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
 Yes No

- c) Does the initiative apply each of the five ways of working?
 Yes No

- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
 Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No **If yes, please provide details below**

The capital budget is informed/developed by the Service depts. that consume capital expenditure

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation? (You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the

Integrated Impact Assessment Screening Form – Appendix H

organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

The capital budget covers all service areas. Each capital scheme will be subject to an IIA in its own right and any cumulative impacts identified at that point.

Outcome of Screening

Q8 Please describe the outcome of your screening below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

Capital finance is constrained by the amount of available resources, the budgetary process allocates that budget appropriately. There are no implications arising from this report. All future programs and schemes covered within this report will be subject to their own Integrated Impact Assessment screening.

(NB: This summary paragraph should be used in the relevant section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Sarah Willis
Job title: Group Accountant
Date: 01/02/2024
Approval by Head of Service:
Name: Ben Smith
Position: Chief Finance Officer (S151 Officer)
Date: 01/02/2024

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 12.



Report of the Section 151 Officer & the Director of Place

Council – 6 March 2024

Housing Revenue Account – Capital Budget & Programme 2023/24 – 2027/28

Purpose:	This report proposes a revised capital budget for 2023/24 and a capital budget for 2024/25 – 2027/28
Policy Framework:	None
Consultation:	Cabinet Members, Legal, Finance & Access to Services
Recommendation(s):	It is recommended that Council: 1) Approves the transfers between schemes and the revised budgets for schemes in 2023/24. 2) Approves the budget proposals for 2024/25 – 2027/28. 3) Approves those individual schemes in Appendix B which are programmed over the 4 year period as described in this report, are committed and that their financial implications for funding over 4 years are approved. 4) Approves the prioritised approach to setting the work programme that is set out in the report.
Report Authors:	Ben Smith / Carol Morgan
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1.0 Introduction

1.1. This report details:

- Revised Housing Revenue Account (HRA) capital expenditure and financing proposals in 2023/24
- HRA Capital expenditure and financing proposals in 2024/25 – 2027/28

1.2 The budget proposals are further detailed in the appendices to this report as follows:

- Appendix A: Summary of the revised budget for 2023/24 and a budget for 2024/25 – 2027/28
- Appendix B: Detailed breakdown of the revised budget for 2023/24 and a budget for 2024/25 – 2027/28
- Appendix C: Welsh Housing Quality Standard (WHQS) and More Homes scheme descriptions

1.3 It should be noted the format of this report is different to normal HRA Capital Programme reports as it sets out landlords increased duties and costs which makes future programmes set out by Welsh Government unaffordable. It highlights a new investment priority programme, outlines financial savings required and potential risks to the Council.

2.0 Capital Budget

2.1 The revised programme for the current year is £36m i.e. an original budget of £ 50.9m plus, additional More Homes acquisitions of £1.6m and other budget adjustments of £1.5m, less slippage into 2024/25 of £14.9m and overspends carry-forward from 2022/23 of £3.1m.

2.2 Within the capital programme delays have occurred with regards to preparing and delivering WHQS and More Homes schemes leading to slippage from 2023/24 to 2024/25. The causes for the delays include limited renewable energy design specialists to design, specify and integrate specialist equipment, the performance by external contractors across certain work streams to deliver programmes and delays with securing necessary approvals for new build schemes.

2.3 The revised More Homes programme for 2023/24 includes increased budget for the acquisition programme, where the focus has been on purchasing ex-council properties that were sold under the Right to Buy as part of the response to rapidly increase the supply of affordable housing to deal with the continuing high levels of demand. Budget has also been allocated for the acquisition of new properties via s106 planning agreements. Masterplans for larger development sites have also been developed.

2.4 The proposed four-year capital programme and the scheme priorities have been developed in line with the HRA Business Plan. Schemes will aim to maintain properties to requirements of the original Welsh Housing

Quality Standard, where budget permits. No new budget has been included in the proposed programme to address extended statutory duties of the new Standard. The approach to be adopted by the service is to undertake new duties only when external grants are provided to support decarbonisation work programmes. The investment set out in 2024/25 will ensure remaining 2023/24 commitments will be met and new 2024/25 work-streams have been developed to ensure they are deliverable. Transfers and changes to the 2023/24 budget are set out in appendix B.

3.0 Background to Increased Programme Demands

- 3.1 Over the past 5 years, Welsh Government has developed ambitious strategic policies to increase the supply of social housing at the same time as extending the requirements of the Welsh Housing Quality Standard to decarbonise 231,000 existing social properties in Wales.
- 3.2 Welsh Government has set a target of increasing the supply of social housing by 20,000 in this decade. The Council committed to increasing supply in Swansea by 1,000 properties and allocated the sum of up to £180m from HRA business plan, supplemented by affordable borrowing.
- 3.3 Aspirations to decarbonise existing houses in Wales was first set out in Better Homes, Better Wales, Better World published in July 2019 but has taken a further four years to set out its regulatory framework. The Welsh Housing Quality Standard 2023 was published on 24th October 2023 and legally comes into effect from the 1st April 2024.
- 3.4 It's been apparent to officers for some time and regularly reported upon, that the HRA Business Plan does not have sufficient financial resource to meet the Government's twin policy objectives of increased supply and decarbonisation of existing stock whilst maintaining WHQS compliance.
- 3.5 When the draft WHQS 2023 was issued for consultation in May 2022, social housing providers and their representative bodies WLGA and CRC advised Welsh Government that decarbonisation of existing stock was unaffordable and unachievable by its target date of 2033. Feedback highlighted adopted regulations would need to be underpinned with direct long term grant subsidy to make the programme financially feasible.
- 3.6 In spite of the concerns expressed by the sector, the regulation adopted by Welsh Government more or less remains as the original proposal. The main concession is the target date to achieve SAP 92, EPC Band A and EIR 92 (Section 3 of new Standard – Homes Affordable to Heat, Minimal Environmental Impact) will be negotiated based on future affordability. Welsh Government have however introduced key milestones which include completing a Whole Stock Assessment for each property by April 2027 which will be delivered within prescribed timeline and ensuring all properties reach SAP 75 EPC Band C by the end of financial year 2029/30. All other key statutory elements of the new Standard are to be completed by 2033.

3.7 A summary of the revised standard including the additional duties placed on social landlords is set out in Appendix D.

4.0 Programme Review and Funding Priorities

4.1 A review of the cost of the HRA capital programme up to 2029/30 to fund new statutory undertakings for WHQS 2023 and maintain the More Homes Programme has been undertaken. It has been determined that the cost of funding future programmes is around £175m more than budget available in the HRA Business Plan at present day values.

4.2 The extent of the financial shortfall and shape of future HRA investment priorities has been considered in detail. The future programme priorities are recommended as follows:

Priority 1 – WHQS 2008 Legacy Programme – Investment to refurbish properties defined as ‘Acceptable Fails’ by the original Standard on basis of timing of remedy, to meet condition compliance.

Priority 2 – Maintain WHQS Condition Compliance – Existing compliant stock receive investment for planned maintenance programmes to maintain compliance as building components and elements fail, to maintain current levels of compliance.

Priority 3 – Maintain More Homes Programme – Protect the £180m previously approved by Council to continue to increase housing supply to counter impact of increasing homelessness.

Priority 4 – WHQS2023 Decarbonisation and Additional Duties – Should all available HRA investment be used on priority groups 1-3, funding of decarbonisation and other duties made only when direct additional grant specifically for decarbonisation is made available by Welsh Government.

5.0 Proposed 4 Year HRA Capital Programme 2024/25- 2027/28

5.1 The proposed programme set out in Appendix A and B has been prepared in accordance with the investment priorities set out in section 4.2 above. While it sets out to meet the priority parameters where possible, the £221.5m (£1.5m extra funding agreed in addition to original £220m) of affordable funding available for the next 4 years will not allow programmes to be met in full. The compromises made to meet the available budget are as follows:

- Priority 1 legacy schemes will only be delivered in part. Elements of work will be deferred to future years rather than projects delivered as whole structure refurbishment approach, which can deliver financial savings.

- Priority 2 maintaining the standard and level of compliance may reduce, as individual schemes of work originally scheduled for the next 4 years are deferred to fit the amount of budget available.
- More Homes investment £180m over 10 years is protected but will deliver less properties than originally planned due to the impact of building inflation and increased new build standards and regulations.

5.2 The impact of the savings required to meet priority requirements and budget available in the HRA Business Plan are as follows:

- Omit the installation of renewables, pv solar panels and storage batteries, while enveloping 614nr. properties across 13nr. sites, previously approved by Council. This reduction to WHQS programme will yield £9.8m savings.
- Omit renewables from a further 1,085nr. properties across 12nr. sites, where only work designed and procured will progress. Only 439nr. properties will now benefit from installation of renewables from the 2,138nr previously approved by Council. This will yield a further saving of £10.2m on the WHQS programme.
- 13nr. enveloping schemes containing 614nr properties will be deferred from the programme previously approved by up to 10 years to fit in with the budget available. These properties were programmed to renew building components and elements at the end of economic repair life, and improve thermal performance at the same time, to meet SAP 75 requirements. These properties will become technically non-compliant, reduce compliance levels but will yield a £28.6m saving on the WHQS programme.
- Deferring elements of legacy work programme will yield a saving of around £20m over the next 4 years on the WHQS programme.
- Omission of individual work schemes will yield a further saving of £3.6m to WHQS planned capital programme but will add greater financial burden on unplanned revenue reactive repairs budget.
- In spite of the savings proposed for the next 4 years, it is anticipated there will be shortfall of a further £102m available to meet decarbonisation targets of each of 13,753 existing properties achieving a SAP rating of 75 or above. No budget has been allocated for any of the additional duties set out in WHQS2023.

5.3 The More Homes strategy to increase housing supply has been endorsed by Council and has an indicative budget of £56m included in the programme over 4 years up to 2027/28. This will include the acquisition of properties and land to develop for council and affordable housing. It also includes funding for feasibility assessments to identify the most viable HRA owned sites for future developments. Delivery will be aided through partnerships and external consultancy advice, which will increase capacity and pace in the programme.

- 5.4 The impact of fitting the More Homes programme to suit budget availability risks reducing the overall supply target. The original ambition set by Cabinet in 2020 was to deliver an additional 1,000 units of affordable accommodation over 10 years (between 2021 and 2031). To date, 255 units have been delivered including 88 new build units, 21 units via property conversions and 146 buy backs of former council properties sold under the Right to Buy. Delivery will continue via the mixed strategy outlined plus acquisitions via s106 agreements with developers. The programme will need to be kept under review to ensure that it remains affordable and achievable within the HRA Business Plan. The Council will continue to work with Welsh Government to maximise future grant subsidy to meet targets and with RSLs and developers to increase the supply of affordable housing alongside our own programme.
- 5.5 In spite of omissions and schemes deferred, the remaining programme represents a significant investment to the local economy that will deliver significant benefits to residents.
- 5.6 Council representatives will continue to lobby Welsh Government to increase capital funding for both work programmes so the ambitious policy objectives can become affordable and deliverable in the future.

6.0 Alternative Investment Strategies

- 6.1 The potential to increase income is limited as rents for social housing is regulated by Welsh Government and amount of affordable borrowing also strictly limited, so £220m is the maximum available to the HRA for the next 4 years and the sum cannot be increased.
- 6.2 The only potential change to the proposed programme is how funding is apportioned between More Homes and WHQS, which is currently set as WHQS £160m, MH £60m.
- 6.3 Additional investment in the WHQS programme to reduce the risk of future non-compliance will just result in the reduction of supply of more social housing and increased pressure on General Fund to meet Homelessness statutory obligations.
- 6.4 Conversely, extra investment in the More Homes budget to increase supply will potentially result in an increase of non-compliance of WHQS statutory programme.
- 6.5 The 4-year programme presented sets out a a reasoned approach and a sustainable programme that mitigates risks as far as practically possible and is recommended to be adopted.
- 6.6 In respect of current compliance, in 2023 the Council has continued to maintain its homes to the current WHQS and reported to Welsh Government that 71.2% of its properties are fully compliant and with 28.8% reported as having an 'acceptable fail' in accordance with published guidance. The majority of acceptable fails are a result of

tenant choice and whilst properties may contain an acceptable fail they will continue to be maintained and managed through the Council's repairs services to ensure tenants remain safe and secure in their homes

7.0 Financing of HRA Capital Budget 2023/24-2027/28

7.1 The attached capital budget proposals will be funded through a combination of Welsh Government (WG) contribution via its Major Repair Allowance (MRA) grant, revenue contributions from the HRA, borrowing and grants to support decarbonisation retrofit works to existing stock and new build. Details are set out in Appendix A.

7.2 The funding of the attached capital budget proposals requires borrowing of £58.2m for the period between 2024/25 and 2027/28. Total forecast of outstanding HRA borrowing at 31 March 2028 is £196.95m.

8.0 Risks

8.1 The risks to the 4-year programme are similar to those set out in the HRA Revenue report. In particular, the level of Major Repair Allowance grant, levels of Social Housing Grant (SHG) available to support new build, future rent increases (which are determined by WG) and the effect of Welfare Reform on levels of rental income which support capital funding. Additionally there are wider economic risks and the impact of inflation, particularly within the building industry

8.2. Maintaining a financially viable business plan may reduce future compliance levels across statutory obligations.

9.0 Integrated Assessment Implications

9.1 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.

9.2 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'.

- 9.3 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.
- 9.4 An IIA Screening Form has been completed and a full IIA report is not required. Reaching and maintaining the Welsh Housing Quality Standard for the Council's housing and building and acquiring additional properties for the purposes of increasing the supply of social housing in Swansea is an example of the 5 Ways of Working promoted by the Wellbeing of Future Generations (Wales) Act 2015 and will contribute towards the 7 well-being goals. The planned programme of repairs and More Homes activities set out in this report is about securing sufficient social housing for the long-term and will benefit future generations. Reaching and maintaining the standard and increasing the supply has reduced carbon emissions, increased efficiency and supported employment and the local economy. Future investment will be subject to consultation with those individuals affected via the Council's Major Works Agreement and all schemes needing planning consent will be subject to normal planning procedures and the council's IIA process. Any individual requirement will be taken into account during the scheme liaison process.
- 9.5 Repairing and maintaining existing council housing will secure social housing for the long term, making them healthier and more efficient places to live. New build social housing will stimulate local economic growth, addressing issues such as poverty, inequality, jobs and skills which directly contributes to the council's obligations to act in a sustainable way pursuant to the WFGA.

10.0 Legal Implications

- 10.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

11.0 Financial Implications

- 11.1 Expenditure is ring fenced to the HRA and will be fully funded by a combination of MRA grant from Welsh Government, revenue contributions from the Housing Revenue Account, HRA borrowing, and Social Housing Grant (SHG). There are no financial implications for the Council General Fund.
- 11.2 Borrowing of £58.2m will be required to fund the WHQS and new build programmes from 2024/25 to and including 2027/28.

- 11.3 Contained within programme of improvements are work streams that will contribute towards reducing occupancy related carbon emission as part of the decarbonisation agenda. The scale of these proposed improvements will be small relative to the overall requirement to fully decarbonise the housing stock.
- 11.4 The investment required to completely decarbonise the Council's housing stock based upon in-house assessment is unaffordable within the existing HRA Business Plan. Additional investment and support will be needed from Welsh Government to deliver their strategic policy objectives.

Background Papers - None.

Appendices

Appendix A: Summary of the revised budget for 2023/24 and a budget for 2024/25 – 2027/28.

Appendix B: A detailed breakdown of the revised budget for 2023/24 and a budget for 2024/25 – 2027/28.

Appendix C: Scheme descriptions.

Appendix D: Summary WHQS2023 additional duties

Appendix E: Summary of schemes omitted or deferred

Appendix F: Integrated Impact Assessment Screening Form

Summary of HRA Capital Budget and Programme 2023/2 to 2027/28							
Scheme	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Original	Revised	Original	Original	Original	Original	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Good State of Repair							
Wind and weatherproofing	14,975	8,664	18,722	22,375	18,370	12,370	80,501
System built houses and highrise Blocks	2,180	1,745	5,074	12,148	11,635	9,149	39,752
Roofing	1,465	1,185	1,340	1,110	405	705	4,745
Windows, doors and general repairs	330	435	480	155	355	355	1,780
Safe and Secure							
Fire Safety	2,950	1,833	2,450	1,000	1,050	1,100	7,433
Electrical Improvements	2,595	2,106	1,760	1,410	1,480	1,580	8,336
Passenger Lifts	150	25	150	250	250	160	835
Adequately Heated, Fuel Efficient & Well Insulated							
Heating Systems	920	969	965	1,200	1,300	1,700	6,134
Energy Efficiency and Grant Support	90	10	60	5	5	5	85
Contain Up to Date Kitchens and Bathrooms							
Kitchens and Bathrooms	2,650	3,488	1,100	650	600	450	6,288
Located in Attractive and Safe Environments							
Environment - Within the Curtilage	6,707	4,176	7,703	3,000	2,675	2,675	20,229
Estate Based Environment	950	988	700	750	500	500	3,438
Meeting Requirements of the Household							
Disabled Adaptations	2,750	2,750	2,750	2,750	2,750	2,750	13,750
More Homes							
New Build and Acquisitions	11,159	7,579	11,805	10,681	12,820	21,324	64,209
Total	49,871	35,953	55,059	57,484	54,195	54,823	257,515

Financed By:	2023/24 Revised	2024/25 Original	2025/26 Original	2026/27 Original	2027/28 Original	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Major Repair Allowance (MRA)	9,280	9,280	9,280	9,280	9,280	46,400
Revenue Contribution to Capital (RCCO)	18,559	33,624	28,751	24,518	23,234	128,686
Borrowing		7,400	16,700	17,300	16,800	58,200
Social Housing Grant (SHG)	1,477	1,710	1,596	3,097	5,509	13,389
Land and Building Development Fund (LBDF)	680		632			1,312
Transitional Accommodation Capital Programme (TACP)	1,312		525			1,837
Optimised Retrofit Programme (ORP)	3,045	3,045				6,090
RCCO S.106 Commuted Sums	1,600					1,600
Total	35,953	55,059	57,484	54,195	54,823	257,515

Appendix B

HRA Capital Programme	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Scheme	Original	Revised	Original	Original	Original	Original	Original
	000's	000's	000's	000's	000's	000's	000's
Good State of Repair							
Wind & Weatherproofing, Fforesthall	1,660	2,000	1,865	1,950	1,950		7,765
Wind & Weatherproofing, Garden City	600	20	1,260	1,850	1,700	1,050	5,880
Wind & Weatherproofing, Birchgrove Road Area	200	57	780	1,400	1,500	1,900	5,637
Wind & Weatherproofing, Pentrechwyth	2,130	1,500					1,500
Wind & Weatherproofing, Trallwn Road Area	840		1,200	1,400			2,600
Wind & Weatherproofing, Penyrheol	900	100	1,575	1,465	1,840	1,120	6,100
Wind & Weatherproofing, Waunarlywydd	500	100	1,125	1,800	1,900	1,750	6,675
Wind & Weatherproofing, Clase, Longview Road Area	655	803					803
Wind & Weatherproofing, Clydach Tanycoed Area	200	630					630
Wind & Weatherproofing, Clydach Woodside Area	1,200	700	1,800	1,610	2,000		6,110
Wind & Weatherproofing, Gwernfadog & Llanllienwen Road Area	635	75	910	1,600	1,700		4,285
Wind & Weatherproofing, Garnswllt	580	34	500	400			934
Wind & Weatherproofing, Morryston Area	750	13	980	1,850			2,843
Wind & Weatherproofing, Llwynceithin & Maes Glas Flats		20					20
Wind & Weatherproofing, Penlan & Gendros	700	90	1,320	1,590	1,220	1,550	5,770
Wind & Weatherproofing, Sketty	700	100	1,500	1,860	1,750	1,950	7,160
Wind & Weatherproofing, Brondeg						600	600
Wind & Weatherproofing, Landore	1,205	862					862
Wind & Weatherproofing, Mayhill & Townhill	1,800	1,285	1,653	1,500	1,560	1,300	7,298
Wind & Weatherproofing, West Cross		150					150
Wind & Weatherproofing, West Cross - Boarspit	650	100	1,944	1,850	1,250	1,150	6,294
Wind & Weatherproofing, Various Locations - More Homes Acquisitions	50	25	275	250			550
Wind & Weatherproofing, Various Locations – Existing Stock			35				35
Airey & Traditional Built Properties, Felindre	350	56	550	450			1,056
Resiform & Traditional Built Properties, Craig Cefn Parc	700	434	850	550			1,834
Wimpey No Fines, Heol Emrys & Tudno Place Kitchens and Bathrooms	500	500	824	824	1,380		3,528

HRA Capital Programme	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Scheme	Original	Revised	Original	Original	Original	Original	Original
	000's	000's	000's	000's	000's	000's	000's
Wimpey No Fines, Heol Emrys & Tudno Place External Envelope Work				774	1,355	1,549	3,679
Highrise Flats, Dyfatty - Croft Street	600	600	2,800	9,500	8,100	2,000	23,000
Highrise Flats, Dyfatty - Griffith John Street Area	30	5	50	50	800	5,600	6,505
Highrise Flats, Clyne & Jeffreys Court		50					50
Highrise Flats, Clyne Court Internal Waterproofing		100	-				100
Chimney Repairs	1,100	870	930	400	400	400	3,000
Chimney Repairs Building Services	0	120					120
Pitched Roof Renewal, Uplands Sketty	360	160	200				360
Pitched Roofing, Townhill			200	700			900
Pitched Roof, Various	5	5	10	10	5	5	35
Pitched Roof, Slate Roofs						300	300
Flat Roof Renewal, Various		30					30
Balcony Repairs		34	200				234
Window & Door Renewal	10	15	50	50	250	250	615
Fire Door Improvement	150	250	85	20			355
Structural Repairs	100	90	110	80	100	100	480
Drainage Repairs & Improvements	40	5	30	5	5	5	50
Repairs to DHOs - Various	30	41	5				46
Safe and Secure							
Fire Safety General	350	250	650	100	100	100	1,200
Smoke & Carbon Monoxide Detectors & Environmental Sensors	2,400	800	1,650	900	950	1,000	5,300
Fire Safety Sprinkler System - Highrise & Sheltered	0	55	-				55
Sprinkler System - Griffith John Street	200	728	150				878
Electrical Rewiring	1,650	1,250	1,200	1,200	1,300	1,400	6,350
Electrical Rewiring & Emergency Systems to Communal Blocks	100	100	150	150	150	150	700
Electrical Rewiring Sub Mains to Highrise Blocks	5	5					5
Warden Call and Tynetec System	490	481	250				731
Communal Aerials	150	70	10	30			110

HRA Capital Programme	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Scheme	Original	Revised	Original	Original	Original	Original	Original
	000's	000's	000's	000's	000's	000's	000's
CCTV	200	200	150	30	30	30	440
Passenger Lift Renewal and Improvements - Matthew Street	150	25	150	250	250		675
Passenger Lift Renewal and Improvements - Conway Court						160	160
Energy Efficiency and Adequately Heated							
Drimaster / Ventilation Programme	20	20	5	50	50	200	325
Boiler / Heating Replacement	900	900	950	950	1,200	1,400	5,400
Communal Boiler Replacement			10	150			160
Distribution Systems - General - Gas and Wet systems		18		50	50	100	218
Heating Upgrades / Fuel Conversions		31					31
Loft Insulation	80		55				55
Energy Efficiency - City Wide, Heat & Ventilation	10	10	5	5	5	5	30
Kitchens and Bathrooms							
Kitchen & Bathroom Renewal			300	200	100	100	700
Kitchen & Bathrooms - Extractor Fan Renewal				50	100	200	350
Kitchen & Bathrooms - Voids Preparation	1,600	2,200	800	400	400	150	3,950
Kitchen & Bathrooms - Tenant Request	700	685					685
Kitchens & Bathrooms - Pantgwyn	350	603					603
Located in Safe Attractive Environment							
Environment - Within the Curtilage							
External Facilities - Various Schemes	1,000	200	800				1,000
External Facilities - West Cross				500	1,500	1,500	3,500
External Facilities - Townhill			525	525	800	800	2,650
External Facilities - St Thomas		420					420
External Facilities - Clase	150	120	370				490
External Facilities - Brondeg/City Centre	200	30	15				45
External Facilities - Samuel Cres, Gendros		20					20
External Facilities - Oaktree Avenue, Sketty	375	338	20				358
External Facilities - Landore/Trewyddfa	200	11					11

HRA Capital Programme	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Scheme	Original	Revised	Original	Original	Original	Original	Original
	000's	000's	000's	000's	000's	000's	000's
External Facilities - Glenside, Portmead	25	25	20				45
External Facilities - Sheltered Complexes	260	125					125
External Facilities - Portmead Avenue Area	250		20				20
External Facilities - Fforesthall	400		20	1,200			1,220
External Facilities - Loughor	250	387					387
External Facilities - Caergynydd Road Area	500	701	30				731
External Facilities - Gower	400	684	30				714
External Facilities - Clase	30	75	350				425
External Facilities - Gowerton	12	12					12
External Facilities - Penllergaer	450	150	1,030				1,180
External Facilities - Pontardulais	900		1,368				1,368
External Facilities - Clydach West	1,000	799	750				1,549
External Facilities - Clydach East			1,500	300			1,800
External Facilities - Townhill and Mayhill			375	375	375	375	1,500
Voice Entry Systems	300	79	480	100			659
Environment - Estate Based							
General Environmental Schemes	950	988	700	750	500	500	3,438
Meeting the Needs of the Household							
Adaptations Internal	2,000	2,000	2,000	2,000	2,000	2,000	10,000
Adaptations External	750	750	750	750	750	750	3,750
More Homes							
More Homes - Pilot - Parc Y Helig	52	10	50				60
More Homes - Creswell Road	632	140	139	1716	647	99	2,741
More Homes - Other	175	70	100	100	100	100	470
More Homes - Acquisitions	3,000	4,600	3,000	2,000	1,000		10,600
More Homes - Hillview/Beaconsview		25					25
More Homes - The Circle West Cross		12					12
More Homes - Conversion 70-72 Alexandra Road, Gorseinon		55					55

HRA Capital Programme	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Scheme	Original	Revised	Original	Original	Original	Original	Original
	000's	000's	000's	000's	000's	000's	000's
More Homes - Heol Dynys New Build	400	100	50	282	3981	1,480	5,893
More Homes - Spark Centre Conversion	500	122	725	22			869
More Homes - Acquisition of General Fund Land	2,000		1,500				1,500
More Homes - Heol Emrys and Tudno Place New Build	650	17	457	457	458	458	1,847
More Homes - Brondeg House	200	200	1,470	1,782	55		3,507
More Homes - Brokesby Road - Master Plan 4 Sites	200	400	200	150		8,196	8,946
More Homes - Milford Way Partnership Scheme A		90	20		2022	2,023	4,155
More Homes - Milford Way Partnership Scheme B		20	20			2,023	2,063
More Homes - Skomer and Westdale	50	10	50	113	113	113	399
More Homes - DHO Conversion Penlan	750	810	10				820
More Homes - Penrhos Place	50	5					5
More Homes - Gorseinon Business Park	50	280	503	503	1,500	2,857	5,643
More Homes - Gower Road	50	10	50	195	194	1,636	2,085
More Homes - DHO Conversion Eastside	750	598	10				608
More Homes - Scurlage	50	5	50			338	393
More Homes - Gorseinon Junior School			51	700	700	51	1,502
More Homes - Acquisition works costs			750	500	300	200	1,750
More Homes - Gwynfaen Farm Section 106			800	411			1,211
More Homes - Garden Village Section 106			1,750	1,750	1,750	1,750	7,000
More Homes - Ty Draw Area, Bonymaen			50				50
Total	58,851	35,953	55,059	57,484	54,195	54,823	257,515

HRA 4 Year Capital Programme

WHQS and Scheme Descriptions

Good State of Repair

Wind and Weatherproofing

Wind and Weatherproofing includes the repair and upgrade of the external fabric and energy efficiency of individual homes. The purpose is to maintain structural integrity, improve weather protection and significantly increase the thermal and energy efficiency. The energy efficiency measures will be aimed towards reducing energy bills and making homes more affordable to live in. The measures will also reduce occupancy related carbon dioxide emissions and contribute towards the Council's and Welsh Government's decarbonisation agenda.

The specification of work will include insulating and renewing roof coverings, weatherboards and rainwater goods, wall tie renewal, application of external wall insulation, window renewal, ventilation and extraction within the home, porches and canopies where necessary, new front and back doors where required, balcony railings, balcony floors and doors, renewing and upgrading communal entrance doors and communal spaces, upgrades to fire safety arrangements, repairs to paths, steps, and handrails, fencing and drying facilities within the curtilage of the home.

Selected schemes commencing from financial year 2024/25 will include as part of the specification renewable technologies including solar panels (photovoltaic panels generating electricity) and battery storage systems. For some locations including those which are off-mains gas, refurbishment may include solar hot water panels, air source heat pumps, or ground source heat pumps, ventilation systems, mechanical heat recovery systems or any emerging technology or system that provides low or carbon neutral benefits to homes. Renewable technologies will typically be included where the equipment has been secured through grant support.

A proportion of properties scheduled for wind and weatherproofing will receive monitoring equipment which will measure and report temperature, humidity and carbon monoxide levels, gas and electricity usage. For selected properties the budget will meet the cost of testing airtightness. The monitoring equipment will allow the Council to assess the performance of homes and the impact of the improvements. Data on homes will be anonymised and then shared with the Welsh Government.

Welsh Government have advised that Optimised Retrofit Programme grant will be available for the Council to claim to assist with cost of undertaking monitoring works, introducing renewable technologies and enhancing fabric related insulation levels to refurbishment schemes.

Introducing renewable technologies into a proportion of wind and weatherproofing schemes will allow the council to better understanding the role these technologies play in making homes more affordable to run and reducing carbon emissions.

To explore emerging technologies, new specifications and new approaches to design, delivery and performance monitoring in relation to energy efficiency the Council may

engage a partner such as an academic body or specialist in this area. Partnership may include direct contribution of some renewable equipment, post occupancy monitoring, as well as public acknowledgement of grant-based contributions, promotion and academic reporting.

These contracts will operate over the period of this four-year programme. Schemes may be packaged together to assist with delivery and may be subject to planning permission requirements; where this applies, officers will submit planning applications as necessary.

Airey and Traditional Constructed Properties, Felindre

Airey properties are of a concrete panel type construction and were built in the early 1950s. Externally, work will include providing new roof coverings and rainwater goods, repairs to the structure, wall finishes replaced with a new system or with traditional building materials depending on the most effective solution. New windows, front and back doors, repairs to paths, steps, handrails, fencing and drying facilities within the curtilage of the home where necessary. The properties will also receive renewable technologies including solar panels, battery storage, ground or air source heat pumps, ventilation systems and performance monitoring equipment. Internally, work will include kitchens and bathrooms and electric wiring as part of the refurbishment and in some instances, improvements to fire safety may be undertaken. The repair scheme will secure the long-term structural integrity of the properties, improve weather protection, provide new internal facilities and increase the thermal and energy efficiency of the dwellings.

To assist with delivery and monitoring performance of the energy efficiency measures, the Council may engage a partner such as an academic body or specialist in this field. Partnership may include direct contribution of some renewable equipment, post occupancy monitoring, as well as public acknowledgement of grant-based contributions, promotion and academic reporting.

This scheme will operate beyond a single financial period. This contract may be subject to planning permission requirements and officers will submit planning applications as necessary.

Resiform and Traditional Properties

Resiform properties are of a timber frame and fiberglass panel type construction and were built in the 1970s. Work will include renewing roofs and rainwater goods, repairs to the structure, application of external wall insulation and where required new thermally efficient windows and front and back doors, repairs to paths, steps, handrails, fencing and facilities within the curtilage of the home where necessary. In some instances, improvements to fire safety may be undertaken. The repair scheme will secure the long-term structural integrity of the properties, improve weather protection and increase the thermal and energy efficiency of the dwellings. Selected properties will include renewable technologies to create Homes as Power Stations (HAPS) which aims to greatly improve the energy efficiency of homes, reduce energy costs for tenants and inform future approaches to reducing carbon emissions and address the Welsh Government's decarbonisation agenda. The scheme may be supported by grant funding. To assist with delivery and monitoring performance of the energy efficiency measures, the Council may engage a partner such as an academic body. Partnership may include direct contribution of some renewable equipment, post occupancy monitoring, as well as public acknowledgement of grant-based contributions, promotion and academic reporting. This scheme will include a cross tenure approach with a single contractor delivering improvements to both Council and private properties. In this case, HRA funding will only support the refurbishment of

HRA properties but the Council may facilitate the scheme with private owners funding their work either directly or through a separately obtained grant. Properties may be subject to planning permission requirements and officers will submit planning applications as necessary.

Wimpey No Fines Properties – Heol Emrys and Tudno Place

Wimpey No Fines are properties built with solid concrete walls and are thermally inefficient. A regeneration project has been commissioned to address some of the issues affecting the Wimpey No Fines properties in Heol Emrys and Tudno Place and an overarching masterplan is complete develop setting out a range of options and a programme of works to enable delivery. Within the plan is a proposed mix of refurbishment, new build, selective demolitions and alterations to the estate layout including the roads and pavements.

The refurbishment element will include structural alterations such as creating new window and door opening to selected properties and where required structural repairs to the existing structures. Generally the scheme will provide increased loft insulation, new roof covering, the application of insulated render to improve thermal efficiency and weather protection, window and door renewal, ventilation systems and performance monitoring equipment. Internally, homes will receive new kitchens and bathrooms and where required, new boilers and electrical wiring. The immediate environment will be enhanced and subject to the designs being finalised, homes will have repairs to paths, steps, handrails, fencing and drying facilities within the curtilage of each home will be undertaken. Where selective demolition is proposed, this will be subject to consultation with residents and stakeholders and will be subject to appropriate approvals. New properties will be designed and delivered in line with the Council's current new build programme.

In summary investment will meet the costs for further detailed architectural design, improvements to the existing stock to ensure they meet the requirements of the Welsh Housing Quality Standard, remodelling to the estate layout and increased supply in new build properties.

The regeneration programme will be subject to planning permission requirements and officers will submit planning applications as necessary.

Refurbishment of Highrise and Surrounding Low-rise Flats

The Council's high rise blocks were built in the early 1960s and locations set out in appendix B now require repairs to ensure their continued use over the long term. The schemes will focus on the remaining blocks in Dyfatty, specifically Croft Street and Griffith John Street and the scope of the work will be significant and varied in order to deliver key aims which include protecting the structures; improving their weather resistance, thermal and energy efficiency and fire safety. The flats will also receive improvements to communal areas within the blocks, internal facilities for individual homes as well as wider environment to ensure they are safe and attractive places to live. Investment will go towards the design, research and preparation of the scheme and the repair and improvements to the high and low rise blocks.

For individual flats, the schemes will provide new kitchens and bathrooms including associated work and improved kitchen layout. Electrical rewiring will be renewed where required, improvements to heating systems, integrated television reception systems and cabling for internet access, new door entry systems and upgrades to fire safety which will

include the installation of sprinklers through individual flats, improved fire detection and warning, fire stopping and improved fire separation. Work inside homes may require additional repairs and renewal of decorative and floor finishes depending on the level of disruption within homes.

Where required ground flats will receive waterproofing works to protect from water penetration, in particular through the floor slabs. The work will include making floor slab impervious to water penetration and ensure homes are protect from ground water levels.

Communal areas will have improved drainage and repairs and upgrades to any incoming or outgoing ducts and pipe work as well as service shafts. The blocks will receive new passenger lift cars and equipment including firefighting lifts where appropriate, new communal lighting and electrical installations including communal integrated TV and internet cabling and where required upgrade to the incoming electrical sub mains supply. Communal areas will also be covered by a new sprinkler system and upgrades to CCTV to ensure all areas are monitored. Where required improvements to fire safety, decoration and floor finishes may be included.

Externally, the work will include a new roof and roof insulation, structural repairs, insulation and cladding systems, rainwater and foul water drainage and dispersal equipment, possible upgrades to incoming gas, electrical and water services, improvements to the communal walkways and upgrades to the balcony rails, balcony drainage and flooring, new balcony doors, repairs to balcony slabs, new thermally efficient windows, upgrades to fire protection, improved CCTV systems where required, improved entrances, renewal of the communal electrical wiring and lighting, and improvements to the decoration.

The highrise schemes will treat the immediate Housing owned areas in the surrounding areas with the aim to provide a safe and attractive environment for residents and visitors. To achieve this, the scheme will seek, amongst other works, to improve paths and circulation routes, improve security and safety which may include fencing and walls and improved lighting and CCTV coverage. Also work will include repairs to free standing and retaining walls, parking and areas of hard and soft landscaping, removal of garages and creation of additional resident parking.

The project will also create new accommodation on the ground floors of both highrise blocks HRA. The new accommodation will provide a mixture of general needs HRA flats that will be suitable for tenants with disabilities. The creation of new accommodation will mean the Town Centre Area Housing Office will be relocated away from Croft Street flats.

As part of the improvements to the wider area, the HRA may seek to acquire or appropriate properties, structures and/or parcels of land in order to contribute more towards improvements to the High Street area. In such cases, officers will undertake appropriation and acquisition activities in line with the Council's constitution and corporate financial rules.

The project is expected to take over four years to complete and will run across the full-time scale of this reporting period. Schemes will be subject to planning permission requirements and officers will submit planning applications as required.

Chimney Repairs

The scheme will involve repairing, rebuilding or taking away chimneys if no longer required as well as any associated works to heating systems. The work will prevent damp, minimise repairs for the response repair service and will be an ongoing scheme over the four year reporting period.

Pitched Roof Renewal

Pitched roof renewal includes repairing the roof structure and chimneys, increasing insulation levels and replacing the roof covering to ensure long-term weather protection. Where appropriate, schemes may include new or replacement renewable technologies such as photovoltaic panels, solar hot water panels and battery storage. Contracts are expected to run over the period of this four year programme.

Flat Roof Renewal

The scheme will include the renewal of flat roofs within the HRA portfolio and will include flat roofs to main buildings, stores or walkways. The work will include improved insulation and new materials to secure long-term weather protection. Work may also include any minor repairs and upgrades to fire safety in these areas. Where appropriate, schemes may include new or replacement renewable technologies such as photovoltaic panels, solar hot water panels and battery storage.

Balcony Repairs

Balconies will be repaired and improved to ensure they remain in good condition and safe to use. Repairs will include new balcony rails and enclosures (where present), repairs to the balcony slabs including weather protection, supports and structures, drainage, floor surface or fire safety upgrades where required.

Window and Door Renewal

Replacement of windows and doors which are at the end of their useful life or require upgrading; the new units will improve thermal efficiency and security. Where required, some windows will be replaced to provide a means of escape or receive equipment for smoke control. Where necessary, fire doors will be renewed in flats and to storage or communal areas to ensure they provide suitable fire protection.

Structural Repairs

Structural Repairs will treat free standing or retaining structures or parts of existing buildings or supporting ground where there is failure or disrepair, subsidence, heave or movement cases, and other structural elements belonging to HRA assets that are considered to be in need. The budget will meet costs for investigations, design and scheme preparations as well as demolition, repairs and renewal of properties or structures. Where necessary, this budget may support the the purchase of properties or parcels of land where there are structurally related issues or may assist with rectifying structural problems.

Drainage and Services

Where new drainage is required, existing drainage is in disrepair or in need of upgrading, servicing or there is a need to address changes in demand, or upgrades to incoming water supplies, the scheme will look to maintain or improve sites and may include specialist desing, investigations and monitoring activities assisting in the design and evaluation of systems, new systems, alternative or new layouts, expansion of current systems or works to support or protect systems and arrangements. In scope will be formal storm and foul

water drainage systems, swales, rain gardens, attenuation systems, gullies, watercourses, rivers, streams, ditches and culverts and areas of water run-off, pooling or ponding.

Repairs to HRA Offices and Operational Assets – Various

The investment is allocated to carry out repairs, alterations, refurbishment or renewal to HRA offices and / or HRA operational assets where required. The scope of work may include the conversion of existing facilities into accommodation or vice versa depending on service requirements, demolition of redundant offices or structures in connection, the repair and upgrade or the extension or creation of new assets to assist with the management and maintenance of the HRA housing stock. The work will include various items relating to the design, fees, structure, fabric, electrical, mechanical, drainage, incoming services and elements within the curtilage. If works are subject to planning permission requirements, officers will submit planning applications as required.

Safe and Secure

Fire Safety and Risk Reduction – Various Locations

A range of fire safety and general risk reduction measures will be undertaken to homes, land and HRA assets. Work will be varied and will include the provision of up-to-date fire safety signage and other fire safety communication, upgrading fire stopping materials, possible changes to layout and access routes, intrusive investigations and whole building risk assessments by specialists, testing in relation to improvement work, safety improvements within homes and communal areas including communal kitchens, fire barriers, upgrades to firefighting equipment and material and improvements to fire safety monitoring and warning systems. Where opportunities arise, the Council will seek grant support and officers will follow relevant financial procedure rules relating to grants. If works are subject to planning permission requirements, officers will submit planning applications as required.

Smoke Alarms, Carbon Monoxide Detectors and Environmental Sensors

Hard wired smoke alarms, heat detectors and carbon monoxide detectors will be renewed in homes to ensure uninterrupted service and ensure homes remain safe. Investment will also be used for installing, repairing and renewing environmental sensors within the home. Environmental sensors monitor heat, humidity, carbon monoxide and energy use in the home and will be a requirement for accessing Welsh Government grant aimed at supporting a programme of making homes more affordable to live in and more energy efficient. Alarms and sensors will also include remote monitoring systems which detect alarms removal, activation and disrepair. The project will be ongoing and will run over the period of this four-year programme.

Fire Safety Sprinkler Systems – Highrise and Sheltered Complexes

The scheme will install a sprinkler system to individual flats and communal areas of highrise blocks and older person sheltered complexes. Investment will be to all works in connection with delivering this work. The aim is to improve the fire safety for residents.

Electrical Rewiring – Various Locations

Homes with electrical installations which are approximately 30 years or identified through testing as requiring renewal will be rewired as part of a planned scheme. Investment will meet the cost of the installation and works in connection as well as disruptions costs. The project will be a long-term contract and will run over the period of this four year programme.

Electrical Rewiring Contingency – Various Locations

Properties will be rewired where an electrical inspection has identified that this is necessary.

Electrical Rewiring & Emergency Systems to Communal Areas

The electrical systems in communal areas will be rewired and improved where the existing installations are required by the relevant regulation, where an electrical inspection has identified that this is required or where it is required as part of a service provided by the Council. The scope of the work will include the provision of new electrical wiring, emergency lighting, new communal aerial facilities, lightning conductors, fire alarms, Automatic Opening Vents (AOVs), smoke extraction systems, IT systems and cabling, warning or helpline systems, CCTV, electrical mains and sub mains supply (where in housing ownership), solar panels serving communal areas and communal fire alarm systems as required. This budget may also be used for electrical equipment in the Council's ownership and control such as laundry or cooking facilities. This contract will operate over the period of this report.

Warden Call and Alarm Systems

Investment is required to upgrade and improve resident and warden call systems to alarm receiving centres to ensure continued uninterrupted service provision for contract holders in need of support and assistance. Work will include all relevant materials, installation activities and subscriptions to ensure tenants have access to a call system that contributes towards or facilitates support and help in older person accommodation.

Communal Aerials and TV Systems

The scheme is to repair, renew and upgrade existing communal aerial systems and install new where appropriate in housing accommodation. The majority of work will take place in older person sheltered accommodation and blocks of flats. The work will include upgrading and renewing aerial and satellite systems.

CCTV and Remote Concierge Systems

Investment will be to provide new CCTV and concierge systems and supporting equipment where required and renew and upgrade existing CCTV systems, infrastructure, monitoring systems and remote concierge systems to ensure they meet the needs of the Housing Service. The installation and renewal will follow the required protocols for the installation and use of CCTV systems.

Passenger Lift Repair, Improvement and Provision – Various Locations

The Housing Service has responsibility for passenger lifts within its blocks of flats and sheltered accommodation. The investment is to meet the cost of assessment, design and repair, improvement, alteration or renewal to passenger lifts and lift shafts, and associated work where there are defects (or at the end of their useful life) to ensure continued safe and long-term provision. The scope of work will include new lift cars, work to electronics, lift shaft repairs and upgrade, provision of fire-fighting lifts and auxiliary power systems, and where there is sufficient requirement, new provision may be included at selected sites.

Adequately Heated

Ventilation Programme - Various

Investment will be to improve ventilation arrangements to improve air quality, and the energy efficiency within homes to ensure they are healthy and efficient places to live.

Boiler Replacement – Various Locations

Heating systems will be renewed or upgraded as part of a long-term programme aimed at improving efficiency and reliability. The scope of the work will include surveys, investigations and designs, option appraisals where required, renewal to both individual and communal heating systems, upgrades to existing systems and fuel switching where required – this may include renewable energy systems where appropriate. This contract is ongoing and will run over the period of this four year programme.

Heating Distribution Systems – Various Locations

Investment will be used for investigations, designs as well as the repair and improvement of heating distribution systems and any work in connection including gas or fuel supplies in HRA ownership or any drainage or discharging points. Work will typically include repairs, improvements and renewal of central heating pipe work, radiators, valves and thermostatic valves, insulation measures, room thermostats, electrical supply, safety valves and cut-off systems and communal heating systems. The work may also involve reconfiguring and rerouting pipe work and any works in connection. The aim is to ensure heating systems are efficient, effective, safe and reliable for tenants.

Heating Upgrades – Various Locations

The scheme is designed to provide fuel switching to council homes e.g. coal to gas, storage heaters to gas or the installation of renewable heating system etc. as well as provide minor improvements to heating systems including time clocks and room thermostats.

Loft Insulation

The scheme will improve loft, roof and ceiling insulation levels in council homes with the aim of improving thermal efficiency. This contract will operate over the period of this four year programme. The scheme will also seek to access and support grant funding where available.

Energy Efficiency Measures and Energy Grant Support – Various

This investment is to meet the costs directly and/or support grants for carrying out design and feasibility studies as well as the delivery of measures that improve thermal and energy efficiency and/or Carbon Emissions in council homes. Work may include design and monitoring activities, engaging in academic studies into energy efficiency, the installation or the renewal of solar photovoltaics, solar hot water, battery storage, air source or ground source heat pump, mechanical vent heat recovering systems, communal heating systems, insulation measures including wall insulation or other emerging energy saving technology / applications. The aim is to support projects that will develop knowledge and understanding, make homes more energy efficient, reduce energy costs for tenants, reduce carbon emissions and inform future approaches. The work will be ongoing and is expected to run over the period of this four year programme. Where opportunities arise, the Council will participate in grant assisted energy efficiency schemes and officers will follow relevant financial procedure rules relating to grants. Schemes or activities which are subject to planning permission requirements, officers will submit planning applications as necessary.

Kitchen and Bathroom Renewal

Kitchen and Bathroom Renewal

The investment will be to improve the internal living facilities, making these more safe and useable. Work may include, depending on requirements, alterations or replacement to electrical wiring, replacement central heating systems, incoming water supply, drainage arrangements, renewing food preparation surfaces, storage and cooking areas, kitchen layout alterations, flooring, decorative finishes including tiling and where required the renewal of sanitary facilities. Where required, the scheme will include general improvements to the home to enable kitchens and bathrooms to be improved, for example damp treatment, floor slab repairs/renewal or structural alteration to improve space and circulation within the home. The scheme will also include alterations and adaptations to kitchen and bathrooms where the occupants are identified as requiring these due to age, illness or disability. Contracts will operate over the period of this four year programme.

Located in Safe/Attractive Environments

Environment - Within the Curtilage

External and Communal Facilities (Including Fencing/Walls/Hardstanding & Paths)

The scheme will undertake repairs to the external facilities within the curtilage of individual homes and communal areas of blocks of flats to ensure they are reasonably safe and practicable areas. Garden areas can vary considerably from property to property and therefore the work will be tailored to the needs of individual homes but will broadly include minor repairs or partial replacement of fencing and boundary walls, walls within the curtilage, repairs to structural paths, steps, handrails, drying facilities, clearance and or planting where necessary or lighting to communal areas. Where some facilities are no longer viable, these may be removed. The project will be ongoing and will run over the period of this four year programme.

Meter Boxes

The scheme will replace and upgrade gas and electric meter boxes to improve safety and the appearance. The project will be ongoing and will run over the period of this four year programme.

Voice Entry Systems

The scheme will renew and upgrade existing or provide new communal entrance doors in blocks of flats with voice entry systems. Investment will also ensure communal areas are protected and improve the safety and security for tenants and residents.

Environment

General Environmental Improvement Schemes

The scheme is to improve areas belonging to the Housing Revenue Account element of the Housing Service which are outside the curtilage of individuals' homes. The schemes will be based on consultation exercises with stakeholders as well as repairs and improvements necessary for the Housing Service to discharge its duties as asset holder.

Meeting Requirements of the Household

Adaptations

This funding is for alterations and improvements to council homes for tenants with medical conditions or disabilities. This scheme is ongoing and will operate over the period of this four-year programme.

More Homes

The investment will be to support the creation of Council homes for social rent and increase the supply of affordable housing in Swansea. The investment will be primarily used to construct new homes on HRA land but also to acquire houses, flats, bungalows, property, buildings and land, and undertake any necessary clearance and preparation or other preparatory work associated with actions set out in the agreed 'More Council Homes Strategy'. Officers will undertake appropriation and acquisition activities in line with the Council's constitution and financial procedure rules. Activities to deliver the More Council Homes Strategy will include seeking and utilising grant assistance wherever available. As well as direct delivery to build new homes, the Council will also seek options to procure a development partner or a range of partners to deliver larger mixed tenure HRA sites, as well as exploring opportunities to work with local RSLs on delivery partnerships. The schemes will operate over the period of this 4-year programme. Schemes will be subject to planning permission requirements and officers will submit planning applications as required.

Welsh Housing Quality Standard 2023 (WHQS 2023)

1.0 Background

- 1.1 The WHQS is a legal requirement and a strategic target for the Council; it contains key standards that social landlords across Wales are expected to meet. In Oct 2023, Welsh Government announced it had completed its review of standards for social housing in Wales and published the new Welsh Housing Quality Standard 2023 which will formerly come into effects from the 1st April 2024.
- 1.2 The new standard maintains many of the requirements of the original but introduces new ambitious targets for affordable warmth, decarbonisation, storage arrangements, letting standards and water saving measures. Each new target measure will have significant cost implications for both HRA revenue and capital budgets.
- 1.3 The new element that presents the greatest challenges operationally and financially is affordable heating and decarbonisation. To enable landlords to identify future scope of work and budget cost for each property, a Whole Stock Assessment (WSA) of all 13,753 properties must be completed and presented to Welsh Government by April 2027. A further key milestone stone will be ensuring each property achieves a SAP 75 rating by 2029/30.
- 1.4 The standard also requires landlords assess their housing portfolio against the standard and to submit evidence including annually updated compliance figures, a compliance policy and business plan to the Welsh Government and compliance statements for new tenants. Compliance reporting will change with a move away from acceptable fails and the introduction of conditional passes and temporary fails.
- 1.5 Schemes detailed in Appendix C will contribute towards the following key components of the new Welsh Housing Quality Standard 2023:

In a Good State of Repair

Dwellings must be structurally stable; free from damp and disrepair with key building components being in good condition.

Safe and Secure

Dwellings should be free from risks that could cause serious harm and should be secure in key areas of the home. Heating and electrical systems checks to be up to date and safe; doors and windows to provide good levels of security and fire safety measures to be well designed and in good condition.

Affordable to Heat and Have Minimal Environmental Impact

Heating systems must be reasonably economical to run and capable of heating the whole of the home and carbon emissions must be minimised.

Contain Up to Date Kitchens and Bathrooms

Kitchen and bathroom facilities are to be relatively modern and in good condition; sufficient to meet the needs of the household and well laid out to prevent accidents.

Homes must be Comfortable and Promote Wellbeing

This includes the existing requirements for ensuring homes meet the needs of individuals, it also contains new requirements such as ensuring homes have floor coverings throughout the property at the point of letting and to ensure homes are protected from noise where noise poses a threat to mental and physical health.

Homes must have a Suitable Garden

Homes with gardens to be safe with reasonable level area, safe means of circulation within the curtilage and boundaries which provide security. Improvements will be required to ensure areas within the curtilage of properties are safe and communal areas and the wider shared environment are safe and attractive.

Attractive and Suitable Outside Space

Homes are to have a robust lockable storage area for items such as bicycles with the standard making links with wider active travel aspirations. A further requirement is placed on improving the wider environment.

2.0 Meeting the New Standard

- 2.1 Welsh Government has set a deadline of 2033/34 to meet the requirements of the new standard with the exception of Affordable Heat and Decarbonisation where an interim efficiency and low carbon target of SAP 75 and Environmental Impact Rating of 75 are required by the end of financial year 2029/30 and the longer term target of SAP 92 and Environmental Impact Rating 92 are to be agreed between the landlord and Welsh Government. Key milestone dates are summarised as follows:
- 1st April 2024 – Formal introduction of WHQS2023
 - 1st April 2027 – Submission to WG of Whole Stock Assessment (WSA)
 - 1st April 2030 – Each property SAP 75 compliant
 - 1st April 2034 – Completion of WHQS2023 programme (except decarbonisation)
 - To be agreed – Completion of decarbonisation programme (SAP 92, EPC A, EIR 92) based on programme size, finance available. Date to be negotiated and agreed with WG based on WSA data.
- 2.2 The extent of the new or extended measures contained in WHQS2023 are summarised as follows:
- Fire and electrical safety
 - Warmth & Environmental Impact
 - Flooring
 - Water Efficiency
 - Biodiversity
 - Active travel
 - Noise Nuisance
- 2.3 A detailed report on new regulations will be present to Council in the coming months

12nr. Schemes with Limited Number of Properties Receiving Solar PV Panels and Batteries

The table below sets out the schemes with two phases or more of wind and weatherproofing and which addresses will receive renewables and which will receive only fabric upgrades. If grant funding for renewable technologies becomes available in future, schemes may re-introduce renewable technologies which are currently fabric only.

The addresses listed are HRA properties only.

Wind & Weatherproofing	Addresses
Garden City	
Phase 1 - Fabric, PV & Battery	Llwyn Bedw: 1, 3, 7, 8, 9, 10, 11, 12 (8 properties) Llwyn Celyn: 1, 3, 4, 7 (4 properties) Llwyn Derw: 2, 10, 14, 18, 20, 25, 26, 29, 30, 31, 33, 37, 38, 39 (14 properties) Llwyn Eithen: 1, 2, 3, 4, 5, 6, 7, 8, 9 (9 properties) Llwyn On: 1, 3, 4 (3 properties)
Phase 2 - Fabric Only	Llwyn Derw 57, 59, 61, 63, 64, 67, 68, 69, 70, 73, 77, 83, 85, 91, 97, 98, 100, 101, 103, 104, 105, 106, 107, 108, 111, 112, 114, 115, 122, 126, 130 (31 properties) Llwyn Helyg 2, 3, 4, 6, 8, 9 (6 properties)
Penyrheol	
Phase 1 - Fabric, PV & Battery	Blackhill Road 3 (1 properties) Brynafon Road 2 (1 properties) Fernhill Road 1 (1 properties) Gower View Road 4, 4A, 6, 6A, 8, 27, 31, 36, 37, 39, 43, 47A, 47B, 47C, 47D, 49, 49A, 55, 55A, 57, 57A, 59, 61, 63, 63A (25 properties)
Phase 2 - Fabric Only	Beech Crescent 12, 16A, 18, 18A, 20, 20A, 22, 22A, 24, 24A, 26A, 28, 31, 31A, 33, 33A, 35 (17 properties) Chestnut Avenue 11, 16, 16A, 18, 18A, 20A, 22, 22A, 32 (10 properties) Heol Cynan 18, 22, 24, 26 (4 properties)
Phase 3 - Fabric Only	Clos Cwrt Y Carne 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 22, 24 (20 properties)

	Gower View Road	87, 91, 95, 97, 99, 101, 103, 105, 107, 109, 111, 115, 117, 119, 123, 125, 131, 133 (18 properties)
	Penyrheol Road	47, 49, 51 (3 properties)
Phase 4 - Fabric Only	Rowan Close	1, 2, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 24, 26, 28, 30 (20 properties)
Waunarlwydd		
Phase 1 - Fabric, PV & Battery	Clas-Y-Bedw	1, 2, 3, 4, 5, 6, 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60 (51 properties)
	Cwm Clyd	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 21, 25 (16 properties)
Phase 2 - Fabric Only	Clas-Y-Deri	2, 3, 5, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 (29 properties)
	Clas-Yr-Onnen	1, 2, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 (21 properties)
	Cwm Clyd	27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82 (23 properties)
Woodside Area, Clydach		
Phase 1 - Fabric, PV & Battery	Brynteg	11, 17, 52, 56 (4 properties)
	Woodside Crescent	2, 3, 4, 6, 7, 8, 12, 14, 15, 17, 19, 20, 21, 30, 34, 40, 43, 45, 46, 47, 48, 50, 52, 63 (24 properties)
	Players Avenue	15, 17, 21, 23, 29, 31 (6 properties)
Phase 2 - Fabric Only	Danygraig Road	23, 29, 31, 33 (4 properties)
	Heol Graigfelen	70, 74, 76, 78, 80, 84, 86, 90, 94, 98, 100, 110, 122, 124 (14 properties)
	Heol Valentine:	2, 4, 5, 7, 9, 11 (6 properties)
	Players Avenue	7, 8, 10, 18, 30, 32, 36, 37, 39, 42, 44 (11 properties)
Gwernfadog and Llanlienwen		
Phase 1 - Fabric, PV & Battery	Glyncollen Crescent	1, 3, 4, 8, 13, 14, 18, 20, 21, 23, 30, 33, 37, 41, 43, 45, 47, 49, 51, 54, 76, 80 (22 properties)

	Gwernfadog Road 38, 46, 56, 66, 68, 70, 76 (7 properties) Llanllienwen Road 87, 93, 103, 105 (4 properties)
Phase 2 - Fabric Only	Glyncollen Crescent 55, 57, 75, 81, 84, 87, 94, 102, 106, 112 (10 properties) Gwernfadog Road 2, 5, 10, 11, 13, 14, 16, 19, 20, 22, 23, 24, 30, 33, 35, 36, 41, 43, 45, 47 (20 properties) Llanllienwen Road 21, 47, 49, 51 (4 properties)
Sketty	
Phase 1 - Fabric, PV & Battery	Baytree Avenue: 41, 42, 44, 45, 47, 48, 49, (7 properties) Briar Dene: 15, 23, 25, 29, 35, 37, 39, 41, 43, 45, 47, 51, 53, 55, 59, 61, 65, 67 (18 properties) Mayflower Close: 1, 3, 6, 7, 11 (5 properties) Parkway: 26, 28 (2 properties) Sketty Park Drive: 122, 126, (2 properties)
Phase 2 - Fabric Only	Baytree Avenue: 27, 31, 32, 34, 36, 38 (6 properties) Briar Dene: 18, 26, 28 (3 properties) Heather Crescent: 79, 81, 87, 89, 91, 93, 95, 97, 99, 101, 103, 107, 109, 111, 113, (15 properties)
Phase 3 - Fabric Only	Heather Crescent: 62, 68, 74, 82 (4 properties) Jasmine Close: 3, 4, 7, 11, 14 (5 properties) Laburnam Place: 42, 54, 58 (3 properties) Parkway: 82 (1 property) Whitethorn Place: 1, 3, 5, 17, 19, 23, 33, 38, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 66, 68, 70, 72 (26 properties)
Phase 4 - Fabric Only	Furzeland Drive: 6, 8 (2 properties) Heather Crescent: 35, 37, 41, 43, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65 (15 properties) Laurel Place: 13, 15, 16 (3 properties) Maes Y Gollen: 17, 19, 23, 27, 37, 39, 41, 43 (8 properties)
Boarspit, West Cross	
Phase 1 - Fabric, PV & Battery	Bettsland: 11, 12, 17, 18, 22, 23, 24, 28, 29 (9 properties) Broad Parks: 1, 2, 6, 8, 9, 11, 12, 14, 22 (9 properties)

	<p>Cartersford Place: 23, 24 (2 properties)</p> <p>Chestnut Avenue: 164, 166, 168, 170, 172, 174, 176, 178 (8 properties)</p> <p>Northeron 2, 6, 8, 16, 18, 22, 28, 32, 34, 36, 40, 42 (12 properties)</p>
Phase 2 - Fabric Only	<p>Chestnut Avenue: 80, 84, 88, 90, 92, 100, 108, 120, 122, 124, 126, 128, 130, 132, 138, 140, 148, 150, 154, 162 (20 properties)</p> <p>Gonhill: 2, 6, 7, 8, 10, 11, 14, 15, 16, 18, 19, 22, 23, 24, 29 (15 properties)</p> <p>Northeron 5, 7, 15, 17, 19, 21 (6 properties)</p>
Phase 3 - Fabric Only	<p>Cartersford Place: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21 (20 properties)</p> <p>Chestnut Avenue: 62, 64, 66, 68, 70, 72, 74, 76, (8 properties)</p> <p>White Gro: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 14, 19, 22, 23, 25, 26, 31 (21 properties)</p> <p>Yalton 4, 6, (2 properties)</p>
Phase 4 - Fabric Only	<p>Alderway: 63, 65, 67, 72, 74, 76, 77, 78, 80, 82, (10 properties)</p> <p>Chestnut Avenue 28, 30, 33, 34, 36, 38, 40, 42, 45, 46, 60 (11 properties)</p> <p>Cross Acre 3, 4, 5, 7, 8, 9, 10, 15, 17, 19, 20, 21, 22, 23, 24, 26, 28, 30, 31, 32, 34, 36, 38, 40, 42, 44, 46 (28 properties)</p>

13nr. Schemes – All Solar PV Panels and Batteries Omitted

Schemes where PV and batteries included in earlier 4 year programmes now omitted

Scheme	Nr. Props	Revised Programme Status
Birchgrove	101	PV/Battery omitted, fabric upgrade 2024/25
William Morris Gardens	14	PV/Battery omitted, fabric upgrade deferred
Gorseinon	44	PV/Battery omitted, fabric upgrade deferred
Gowerton	13	PV/Battery omitted, fabric upgrade deferred
Loughor	91	PV/Battery omitted, fabric upgrade deferred
Pontardulais	30	PV/Battery omitted, fabric upgrade deferred
Clydach (Tyle Teg)	43	PV/Battery omitted, fabric upgrade deferred
Trewyddfa Common	16	PV/Battery omitted, fabric upgrade deferred
Penlan and Gendros	92	PV/Battery omitted, fabric upgrade deferred
Three Crosses	20	PV/Battery omitted, fabric upgrade deferred
Cwm Road	21	PV/Battery omitted, fabric upgrade deferred
Brondeg	56	PV/Battery omitted, fabric upgrade deferred

Townhill	135	PV/Battery omitted, fabric upgrade 2024/25
Tudno & Emrys*	30	PV/Battery omitted, fabric upgrade 2025/26
Total	614	

*Tudno & Emrys has a total of 195nr. properties, only 30nr. allocated PV& Battery funding as part of previous 4 year programme

Deferred Schemes

Fabric upgrade schemes deferred, to be re-scheduled beyond the current four-year programme:

Scheme	
Rescheduling Schemes	
Wind & Weatherproofing, St Thomas Flats	Planned for 2027 – now deferred, year TBC
Wind & Weatherproofing, William Morris Gdns	Planned for 2026 – now deferred, year TBC
Wind & Weatherproofing, Gorseinon	Planned for 2026 – now deferred, year TBC
Wind & Weatherproofing, Gowerton	Planned for 2026 – now deferred, year TBC
Wind & Weatherproofing, Loughor	Planned for 2025 – now deferred, year TBC
Wind & Weatherproofing, Pontardulais	Planned for 2026 – now deferred, year TBC
Wind & Weatherproofing, Clydach Tyle Teg	Planned for 2026 – now deferred, year TBC
Wind & Weatherproofing, Trewyddfa Common	Planned for 2026 – now deferred, year TBC
Wind & Weatherproofing, Uplands	Planned for 2027 – now deferred, year TBC
Wind & Weatherproofing, Penclawdd	Planned for 2027 – now deferred, year TBC
Wind & Weatherproofing, Three Crosses	Planned for 2026 – now deferred, year TBC
Wind & Weatherproofing, Cwm Road	Planned for 2026 – now deferred, year TBC
Wind & Weatherproofing, Brondeg	Planned for 2024 – now deferred to 2027

Integrated Impact Assessment Screening Form

Screening

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Housing and Public Health

Directorate: Place

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other

(b) Please name and fully describe initiative here:

The joint report between both the Housing and Finance Service to Council sets out the revised Housing Revenue Account (HRA) capital expenditure and financing proposals in 2023/24, and the HRA Capital expenditure and financing proposals in 2024/25 to 2027/28. The investment will be allocated to long standing repair and maintenance programmes to the existing council housing stock to ensure it remains operational and meets requirements for social housing such as the Welsh Housing Quality Standard. The report also sets out programmes to increase council house provision through new build and acquisition.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

No Impact	High Impact		Medium Impact		Low Impact		Needs further Investigation
	+	-	+	-	+	-	

Children/young people (0-18)	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Older people (50+)	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Any other age group	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Future Generations (yet to be born)	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Disability	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Race (including refugees)	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Asylum seekers	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Gypsies & travellers	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Religion or (non-)belief	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Sex	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Sexual Orientation	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Gender reassignment	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Welsh Language	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Poverty/social exclusion	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Carers (inc. young carers)	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Community cohesion	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Marriage & civil partnership	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Pregnancy and maternity	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			
Human Rights	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>			

**Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?
Please provide details below – either of your activities or your reasons for not undertaking involvement**

Consultation will be carried out to all householders affected by the schemes proposed in the report via the Council's Major Works Agreement, and any individual needs will be accounted for as part of the scheme. Statutory Consultation via the Planning Process will be carried out for any schemes requiring planning consent.

The Housing Service has ongoing working practices with other service areas within the Council and will be working closely with these to develop, design and deliver the capital investment programme over the next 4 years.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan's Well-being Objectives when considered together?
Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
Yes No
- c) Does the initiative apply each of the five ways of working?
Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below

The programming, preparation, design and delivery of major repairs and improvements to the existing housing stock and the acquisition and the creation of new build properties will have an impact on the following Council services: Building Services, Procurement, Legal, Finance, Highways and Drainage, Economic Development, Corporate Property, Building Control, Social Services and Planning will all be involved in the schemes.

Q7 Will this initiative result in any changes needed to the external or internal website?

Yes

No

If yes, please provide details below

The Council website holds public information on both refurbishment and new build projects. Public information is available on refurbishment schemes and compliance levels, in particular how many of the Council's housing houses meet the Welsh Housing Quality Standard. The website will require updates on compliance levels for the existing stock and updates on the delivery of new developments.

Q8 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

Outcome of Screening

Outcome of Screening

Financial availability and the need to balance core priorities i.e. maintaining homes as well as creating more accommodation to tackle homelessness has resulted in deferring some improvement schemes to the existing housing stock. More than £160m will be invested into existing Council homes and the acquisition and creation of new housing as set out in the report to Council will result in improved social housing standards for residents in Swansea. This will be achieved by increasing thermal efficiency to ensure homes are healthy, providing renewable technologies to individual homes to reduce carbon emission, and make homes cheaper to run (and protecting tenants from ongoing pressures of fuel costs). The programmes are supported by the Beyond Bricks and Mortar Team with many contracts providing training and employment opportunities to those who are long term unemployed or hard to reach. The Beyond Bricks and Mortar team work with agencies who target those who may otherwise experience economic inactivity. Overall the programme will secure social housing provision for future generations.

Q9 Please describe the outcome of your screening using the headings below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

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.

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’.

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.

An IIA Screening Form has been completed and a full IIA report is not required. Reaching and maintaining the Welsh Housing Quality Standard for the Council’s housing and building and acquiring additional properties for the purposes of increasing the supply of social housing in Swansea is an example of the 5 Ways of Working promoted by the Wellbeing of Future Generations (Wales) Act 2015 and will contribute towards the 7 well-being goals. The planned programme of repairs and More Homes activities set out in this report is about securing sufficient social housing for the long term and will benefit future generations. Reaching and maintaining the standard and increasing the supply has reduced carbon emissions, increased efficiency and supported employment and the local economy. Future investment will be subject to consultation with those individuals affected via the Council’s Major Works Agreement and all schemes needing planning consent will be subject to normal planning procedures and the council’s IIA process. Any individual requirement will be taken into account during the scheme liaison process.

Repairing and maintaining existing council housing will secure social housing for the long term, making them healthier and more efficient places to live. New build social housing will stimulate local economic growth, addressing issues such as poverty, inequality, jobs and skills which directly contributes to the council’s obligations to act in a sustainable way pursuant to the WFGA.

(NB: This summary paragraph should be used in the ‘**Integrated Assessment Implications**’ section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: David Bratley
Job title: Housing Asset Manager
Date: 12/01/2024
Approval by Head of Service:
Name: Carol Morgan
Position: Head of Housing and Public Protection
Date: 30/01/2024

Agenda Item 13.



Report of the Section 151 Officer

Council - 6 March 2024

Statutory Resolution – Resolutions to be Made in Accordance with the Regulations in the Setting of the Council Tax 2024/2025

- (1) **THAT** the Council notes and adopts the statutory resolutions set out below.
- (2) **THAT** it be noted that at its meeting on 7th December 2023 the Council calculated the following amounts for the year 2024/2025 in accordance with Regulations made under Section 33(5) of the Local Government Finance Act 1992 (as amended) -
- a) 93,803 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended, as its Council Tax base for the year.
- b) Parts of the Council's Area –

Bishopston	2,014
Clydach	2,655
Gorseinon	3,322
Gowerton	2,015
Grovesend & Waungron	451
Ilston	347
Killay	2,173
Llangennith, Llanmadoc & Cheriton	519
Llangyfelach	969
Llanrhidian Higher	1,599
Llanrhidian Lower	343
Llwchwr	3,497
Mawr	762
Mumbles	10,072
Penllergaer	1,538
Pennard	1,544
Penrice	484
Pontarddulais	2,365
Pontlliw & Tircoed	1,037
Port Eynon	470
Reynoldston	312
Rhossilli	196
Three Crosses	709
Upper Killay	593

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for dwellings in those parts of its area to which special items relate.

(3) **THAT** the following amounts be now calculated by the Council for the year 2024/2025 in accordance with Section 32 to 36 of the Local Government Finance Act 1992 -

- (a) £916,950,676 being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(2)(a) to (d) of the Act.
- (b) £326,452,690 being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(3)(a), 32(3)(c) and 32(3a) of the Act.
- (c) £590,497,986 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at (3)(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- (d) £434,271,751 being the aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of redistributed non-domestic rates, and revenue support grant less discretionary Non Domestic Rate relief.
- (e) £1,665.47 being the amount at (3)(c) above less the amount at (3)(d) above, all divided by the amount at (2)(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- (f) £2,205,986 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (g) £1,641.95 being the amount at (3)(e) above less the result given by dividing the amount at (3)(f) above by the amount at (2)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate.

(h) Parts of the Council's Area -

Bishopston	1,693.59
Clydach	1,706.23
Gorseinon	1,686.95
Gowerton	1,659.17
Grovesend & Waungron	1,683.90
Ilston	1,663.79
Killay	1,652.30
Llangennith, Llanmadoc & Cheriton	1,657.17
Llangyfelach	1,672.91
Llanrhidian Higher	1,754.80
Llanrhidian Lower	1,662.36
Llwchwr	1,684.72
Mawr	1,785.14
Mumbles	1,723.32
Penllergaer	1,651.05
Pennard	1,704.13
Penrice	1,668.29
Pontarddulais	1,707.75
Pontlliw & Tircoed	1,680.57
Port Eynon	1,658.97
Reynoldston	1,682.01
Rhossili	1,675.11
Three Crosses	1,684.37
Upper Killay	1,673.99

being the amounts given by adding to the amount at (3)(g) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (2)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(I) Parts of the Council's Area -

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
Bishopston	1,129.06	1,317.23	1,505.41	1,693.59	2,069.95	2,446.30	2,822.65	3,387.18	3,951.71
Clydach	1,137.48	1,327.07	1,516.65	1,706.23	2,085.39	2,464.56	2,843.71	3,412.46	3,981.21
Gorseinon	1,124.63	1,312.07	1,499.51	1,686.95	2,061.83	2,436.71	2,811.58	3,373.90	3,936.22
Gowerton	1,106.11	1,290.46	1,474.82	1,659.17	2,027.88	2,396.58	2,765.28	3,318.34	3,871.40
Grovesend & Waungron	1,122.60	1,309.70	1,496.80	1,683.90	2,058.10	2,432.30	2,806.50	3,367.80	3,929.10
Ilston	1,109.19	1,294.06	1,478.92	1,663.79	2,033.52	2,403.26	2,772.98	3,327.58	3,882.18
Killay	1,101.53	1,285.12	1,468.71	1,652.30	2,019.48	2,386.66	2,753.83	3,304.60	3,855.37
Llangennith, Llanmadoc & Cheriton	1,104.78	1,288.91	1,473.04	1,657.17	2,025.43	2,393.69	2,761.95	3,314.34	3,866.73
Llangyfelach	1,115.27	1,301.15	1,487.03	1,672.91	2,044.67	2,416.43	2,788.18	3,345.82	3,903.46
Llanrhidian Higher	1,169.86	1,364.84	1,559.82	1,754.80	2,144.76	2,534.72	2,924.66	3,509.60	4,094.54
Llanrhidian Lower	1,108.24	1,292.94	1,477.65	1,662.36	2,031.78	2,401.19	2,770.60	3,324.72	3,878.84
Llwchwr	1,123.14	1,310.34	1,497.53	1,684.72	2,059.10	2,433.49	2,807.86	3,369.44	3,931.02
Mawr	1,190.09	1,388.44	1,586.79	1,785.14	2,181.84	2,578.54	2,975.23	3,570.28	4,165.33
Mumbles	1,148.88	1,340.36	1,531.84	1,723.32	2,106.28	2,489.24	2,872.20	3,446.64	4,021.08
Penllergaer	1,100.70	1,284.15	1,467.60	1,651.05	2,017.95	2,384.85	2,751.75	3,302.10	3,852.45
Pennard	1,136.08	1,325.43	1,514.78	1,704.13	2,082.83	2,461.53	2,840.21	3,408.26	3,976.31
Penrice	1,112.19	1,297.56	1,482.92	1,668.29	2,039.02	2,409.76	2,780.48	3,336.58	3,892.68
Pontarddulais	1,138.50	1,328.25	1,518.00	1,707.75	2,087.25	2,466.75	2,846.25	3,415.50	3,984.75
Pontlliw & Tircoed	1,120.38	1,307.11	1,493.84	1,680.57	2,054.03	2,427.49	2,800.95	3,361.14	3,921.33
Port Eynon	1,105.98	1,290.31	1,474.64	1,658.97	2,027.63	2,396.29	2,764.95	3,317.94	3,870.93
Reynoldston	1,121.34	1,308.23	1,495.12	1,682.01	2,055.79	2,429.57	2,803.35	3,364.02	3,924.69
Rhossili	1,116.74	1,302.86	1,488.99	1,675.11	2,047.36	2,419.61	2,791.85	3,350.22	3,908.59
Three Crosses	1,122.91	1,310.06	1,497.22	1,684.37	2,058.68	2,432.98	2,807.28	3,368.74	3,930.20
Upper Killay	1,115.99	1,301.99	1,487.99	1,673.99	2,045.99	2,417.99	2,789.98	3,347.98	3,905.98
All other parts of the Council area	1,094.63	1,277.07	1,459.51	1,641.95	2,006.83	2,371.71	2,736.58	3,283.90	3,831.22

being the amounts given by multiplying the amounts at (3)(g) and (3)(h) above by the number which, in the population set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of the categories of dwellings listed in the different valuation bands.

(4) THAT it be noted that for the year 2024/2025 the Police and Crime Commissioner for South Wales have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below -

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
The Police and Crime Commissioner for South Wales	235.11	274.30	313.48	352.67	431.04	509.41	587.78	705.34	822.90

(5) THAT having calculated the aggregate in each case of the amounts at (3)(I) and (4) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2024/25 for each of the categories of dwelling shown below –

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
Bishopston	1,364.17	1,591.53	1,818.89	2,046.26	2,500.99	2,955.71	3,410.43	4,092.52	4,774.61
Clydach	1,372.59	1,601.37	1,830.13	2,058.90	2,516.43	2,973.97	3,431.49	4,117.80	4,804.11
Gorseinon	1,359.74	1,586.37	1,812.99	2,039.62	2,492.87	2,946.12	3,399.36	4,079.24	4,759.12
Gowerton	1,341.22	1,564.76	1,788.30	2,011.84	2,458.92	2,905.99	3,353.06	4,023.68	4,694.30
Grovesend & Waungron	1,357.71	1,584.00	1,810.28	2,036.57	2,489.14	2,941.71	3,394.28	4,073.14	4,752.00
Ilston	1,344.30	1,568.36	1,792.40	2,016.46	2,464.56	2,912.67	3,360.76	4,032.92	4,705.08
Killay	1,336.64	1,559.42	1,782.19	2,004.97	2,450.52	2,896.07	3,341.61	4,009.94	4,678.27
Llangennith, Llanmadoc & Cheriton	1,339.89	1,563.21	1,786.52	2,009.84	2,456.47	2,903.10	3,349.73	4,019.68	4,689.63
Llangyfelach	1,350.38	1,575.45	1,800.51	2,025.58	2,475.71	2,925.84	3,375.96	4,051.16	4,726.36
Llanrhidian Higher	1,404.97	1,639.14	1,873.30	2,107.47	2,575.80	3,044.13	3,512.44	4,214.94	4,917.44
Llanrhidian Lower	1,343.35	1,567.24	1,791.13	2,015.03	2,462.82	2,910.60	3,358.38	4,030.06	4,701.74
Llwchwr	1,358.25	1,584.64	1,811.01	2,037.39	2,490.14	2,942.90	3,395.64	4,074.78	4,753.92
Mawr	1,425.20	1,662.74	1,900.27	2,137.81	2,612.88	3,087.95	3,563.01	4,275.62	4,988.23
Mumbles	1,383.99	1,614.66	1,845.32	2,075.99	2,537.32	2,998.65	3,459.98	4,151.98	4,843.98
Penllergaer	1,335.81	1,558.45	1,781.08	2,003.72	2,448.99	2,894.26	3,339.53	4,007.44	4,675.35
Pennard	1,371.19	1,599.73	1,828.26	2,056.80	2,513.87	2,970.94	3,427.99	4,113.60	4,799.21
Penrice	1,347.30	1,571.86	1,796.40	2,020.96	2,470.06	2,919.17	3,368.26	4,041.92	4,715.58
Pontarddulais	1,373.61	1,602.55	1,831.48	2,060.42	2,518.29	2,976.16	3,434.03	4,120.84	4,807.65
Pontlliw & Tircoed	1,355.49	1,581.41	1,807.32	2,033.24	2,485.07	2,936.90	3,388.73	4,066.48	4,744.23
Port Eynon	1,341.09	1,564.61	1,788.12	2,011.64	2,458.67	2,905.70	3,352.73	4,023.28	4,693.83
Reynoldston	1,356.45	1,582.53	1,808.60	2,034.68	2,486.83	2,938.98	3,391.13	4,069.36	4,747.59
Rhossili	1,351.85	1,577.16	1,802.47	2,027.78	2,478.40	2,929.02	3,379.63	4,055.56	4,731.49
Three Crosses	1,358.02	1,584.36	1,810.70	2,037.04	2,489.72	2,942.39	3,395.06	4,074.08	4,753.10
Upper Killay	1,351.10	1,576.29	1,801.47	2,026.66	2,477.03	2,927.40	3,377.76	4,053.32	4,728.88
All other parts of the Council area	1,329.74	1,551.37	1,772.99	1,994.62	2,437.87	2,881.12	3,324.36	3,989.24	4,654.12

Agenda Item 14.



Report of the Section 151 Officer

Council – 6 March 2024

Treasury Management Strategy Statement, Prudential/Treasury Indicators, Investment Strategy and Minimum Revenue Provision Policy Statement 2024/25, Interim Year Treasury Management Review 2023/24 and Annual Report 2022/23

Purpose:	To approve the Treasury Management Strategy Statement, Prudential Indicators, Investment Strategy and Minimum Revenue Provision Policy Statement for 2024/25 and note the Interim Year Treasury Management Review 2023/24.
Policy Framework:	CIPFA Prudential Code 2021
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that Council: <ol style="list-style-type: none">1) Approves the Treasury Management Strategy and Prudential Indicators (Sections 2-7)2) Approves the Investment Strategy (Section 8)3) Approves the Minimum Revenue Provision (MRP) Statement (Section 9)4) Notes the Interim Year Treasury Management Review 2023/24 (Appendix H)5) Notes the Annual Treasury Management Report 2022/23 (Appendix I)
Report Author:	Jeff Dong
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

1.1 This strategy statement has been prepared in accordance with the revised CIPFA Treasury Management Code of Practice adopted by this Council in 2010 which has been recently revised in 2021. The Council's Treasury Management Strategy will be received and reviewed annually by Council and there will also be an interim year report providing summary of progress against that strategy. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the scrutiny of the Treasury Management function appreciate fully the implications of the Treasury Management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting. CIPFA has adopted the following as its definition of treasury management.

“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”

1.2 CIPFA Prudential Code – Revised 2021

CIPFA amended the Code in 2021. The changes were

- Minor changes to the treasury indicators which were initially developed in 2004
- Additional prudential indicators including the liability benchmark and ratio of net investment income/ net revenue stream
- Clarifying that the definition of ‘Investments’ above includes:-
- Treasury Management investments (as historically included in this Strategy, as well as
- investments made for policy reasons and managed outside of normal treasury management activity.
- Introduction of additional reporting I from 2023/24 re. treasury management activity

1.3 The latter changes are primarily in response to increasing commercialisation activities undertaken by Local authorities. Examples of investments made for policy reasons and managed outside of normal treasury management activity include:-

- ‘service investments’ held in the course of provision and for the purposes of operational services
- ‘commercial investments’ which are taken mainly for financial reasons. These may be shares and loans in business structures e.g.

subsidiaries; investments explicitly taken with the aim of making a financial surplus for the Council; non financial assets such as investment properties held primarily for financial benefit

1.4 Where, in addition to treasury management investment activity, organisations invest in other financial assets and property primarily for financial return, the Code requires that these investments should be proportional to the level of resources available to the organisation and the organisation should ensure that robust procedures for the consideration of risk and return are applied to these decisions. Following the HM Treasury consultation and subsequently issued guidance, PWLB borrowing is now prohibited to fund investments 'purely for yield'. This report covers treasury management financial investments, non financial investments are covered by the capital strategy.

1.5 Public Works Loan Board (PWLB)

HM Treasury made a shock determination on the 9th October 2019 affecting all future borrowing from the Public Works Loan Board (PWLB) which would now be subject to an additional 1.00% 'premium' over and above existing margins above prevailing Gilt yields, primarily in response and to deter exponential growth in borrowing to fund speculative investment by a small number of local authorities in England. Strong representations were made via WLGA, and WG about the negative impact this change would have on capital programmes in progress throughout local authorities in Wales.

Following the strength of representations, HM Treasury launched a consultation process on the PWLB borrowing process. The results of the consultation and accompanying guidance was issued in November 2020 when the 1.00% premium was removed. The accompanying guidance outlines what constitutes eligible expenditure for PWLB borrowing:

The guidance clearly prohibits 'investing primarily for yield' which it defines as:

Investment assets bought primarily for yield would usually have one or more of the following characteristics:

a. buying land or existing buildings to let out at market rate

b. buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification

c. buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly

The guidance DOES allow borrowing for regenerative purposes, which it defines as:

Regeneration projects would usually have one or more of the following characteristics:

a. the project is addressing an economic or social market failure by providing services, facilities, or other amenities that are of value to local people and would not otherwise be provided by the private sector

b. the local authority is making a significant investment in the asset beyond the purchase price: developing the assets to improve them and/or change their use, or otherwise making a significant financial investment

c. the project involves or generates significant additional activity that would not otherwise happen without the local authority's intervention, creating jobs and/or social or economic value

d. while some parts of the project may generate rental income, these rents are recycled within the project or applied to related regeneration projects, rather than being applied to wider services

Preventative action would have all of the following characteristics:

a. the intervention prevents a negative outcome, such as by buying and conserving assets of community value that would otherwise fall into disrepair, or providing support to maintain economic activity that would otherwise cease

b. there is no realistic prospect of support from a source other than the local authority

The guidance is also clear that PWLB borrowing cannot be used to replace other Council funds which are then used to finance the 'primarily for yield' investment.

1.6 The Code requires that all investments have an appropriate investment management and risk management framework. This includes making it explicit in any decision making:-

- the powers under which investment is made
- the governance process including arrangements in place to ensure appropriate due diligence to support decision making
- the extent to which capital invested is placed at risk
- the impact of potential losses on financial sustainability
- the methodology and criteria for assessing performance and monitoring process
- how knowledge and skills in managing such investments is arranged and that these are monitored, reported and highlighted explicitly in the decision making process and due diligence.

1.7 The most significant investments currently held by the Council and managed outside of normal treasury management activity are the Council's Investment

Properties, which include various freeholds within the City held for strategic property management purposes and (in some , incidentally) provide some income generation. The principles behind this strategy are outlined in the Capital Strategy, a separate report on this agenda.

1.8 The Council will need to adhere to this strategy when considering any new proposals for non treasury investments as well as any updates to existing strategies, practices and reporting such as in the Annual Financial Statement of Accounts. It will be recommended that Council adopt the practices for non treasury investments identified in a separate section of the Treasury Investment Strategy below in 8.7.

1.9 The Local Government Act 2003 requires the Council to have regard to the Prudential Code and to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Council is required to formally consider the Prudential and Treasury Indicators as detailed in section 2 of this report

1.10 The Act also requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy as required by Investment Guidance issued subsequent to the Act. This strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. The management of the Council's Treasury Management activities are in line with the CIPFA Treasury Management Revised Code of Practice.

1.11 The recommended strategy for 2024/25 is based upon a view on interest rates, having considered leading market forecasts provided by the Council's treasury advisor, Link Asset Services. The overall strategy covers:

- Treasury Limits 2023/24-2027/28
- Prudential / Capital/Treasury Indicators
- The current portfolio position
- Prospects for interest rates including a summary of the economic background
- The Borrowing Requirement
- The Borrowing Strategy
 - Gross v Net Debt Position
 - Liability benchmark
 - Policy on Borrowing in Advance of Need
- Debt Rescheduling
- The Annual Investment Strategy
 - Investment Policy
 - Including non Treasury Investments
 - Interest Rate Outlook
 - Creditworthiness Policy

- Country Limits
- Policy on the Use of External Advisors
- Scheme of Delegation
- Pension Fund Cash
- Minimum Revenue Provision (MRP) Policy Statement

1.12 A glossary of terms used within this report is attached at Appendix A.

2. Treasury Limits 2023/24 to 2027/28

2.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to set a balanced budget. Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

- increases in capital finance charges (principal and net interest) caused by increased borrowing to finance additional capital expenditure and
- any increases in running costs from new capital projects

are affordable within the projected revenue of the Council for the foreseeable future.

2.2 Under statute, the Council is required to set an Affordable Borrowing Limit i.e a limit which the Council can afford to borrow. In Wales, the Authorised Limit represents the legislative limit specified in section 3 of the Local Government Act 2003.

2.3 The Council must have regard to the Prudential Code when setting the Authorised Limit. This limit requires the Council to ensure that total capital investment remains within sustainable limits. The Authorised Limit must be set for the forthcoming financial year and the two successive financial years.

2.4 The Prudential Code for Capital Finance in Local Authorities requires Councils to calculate treasury indicators (formerly prudential indicators) which demonstrate prudence in the formulation of borrowing proposals. These are defined as:

- The Operational Boundary :
“...is based on expectations of the maximum external debt of the authority according to probable not simply possible events and being consistent with the maximum level of external debt projected by the estimates....”
- The Authorised Limit :
“..the Authorised Limit must therefore be set to establish the outer boundary of the local authority’s borrowing based on a realistic

assessment of the risks. The authorised limit is certainly not a limit that an authority will expect to borrow up to on a regular basis. It is crucial that it is not treated as an upper limit for borrowing for capital expenditure alone since it must also encompass borrowing for temporary purposes...”

- Upper limits for borrowing of fixed and variable rate loans.
- Upper limit for investments for over 364 days.
- Upper and lower limits for the maturity profile of the Council’s debt
- Estimates of the ratio of financing costs to net revenue stream
- Estimates of the capital financing requirement

2.5 In setting and revising Prudential Indicators the authority is required to have regard to:-

- Affordability e.g revenue implications
- Prudence and sustainability e.g. implications for external borrowing
- Value for money e.g. option appraisals
- Stewardship of assets e.g. strategic planning
- Practicality e.g. achievability of forward plans

2.6 It is a requirement of the Code that Prudential / Treasury Indicators are regularly monitored and systems are in place to achieve compliance.

Treasury / Prudential Indicators						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Probable	Estimate	Estimate	Estimate	Estimate
Capital Expenditure						
GF	121,068	142,697	96,195	37,585	58,423	68,425
HRA	40,169	35,593	55,059	57,484	54,195	54,823
TOTAL	161,237	178,290	151,254	95,069	112,618	123,248
Capital Financing Requirement 31st March						
GF	470,834	531,329	558,950	562,714	559,712	560,362
HRA	157,248	153,590	157,395	170,380	183,192	195,132
Magistrates' Court **	1,104	1,060	1,018	977	938	919
Credit Arrangements*	1,140	412	166	140	8	3
Total	630,326	686,391	717,529	734,211	743,850	756,416

Authorised limit for external debt	828,829	843,850	856,416	856,416	856,416	856,416
Operational boundary for external debt	768,829	783,850	796,416	796,416	796,416	796,416
Upper limit for fixed interest rate exposure	85.89% £596,409	100%/ £843,850	100%/ £856,416	100%/ £856,416	100%/ £856,416	100%/ £856,416
Upper limit for variable rate exposure	14.11%/ £98,000	40%/ £337,540	40%/ £342,570	40%/ £342,570	40%/ £342,570	40%/ £342,570
Upper limit for total principal sums invested for over 364 days	0	50,000	50,000	50,000	50,000	50,000

* The GF Capital Financing Requirements includes arrangements classified as credit arrangements (finance leases) under International Financial Reporting Standards (IFRS) requirements as of 2011/12. However these continue to be budgeted on a revenue basis from the acquiring service and do not form part of the borrowing requirement.

** Legacy Magistrates' Court debt which is wholly recharged and is included for completeness

Maturity structure of fixed rate borrowing during 2024/25-2027/28		
	Upper limit %	Lower limit %
Under 12 months	60	0
12 months and within 24 months	60	0
24 months and within 5 years	60	0
5 years and within 10 years	90	0
10 years and above	95	15

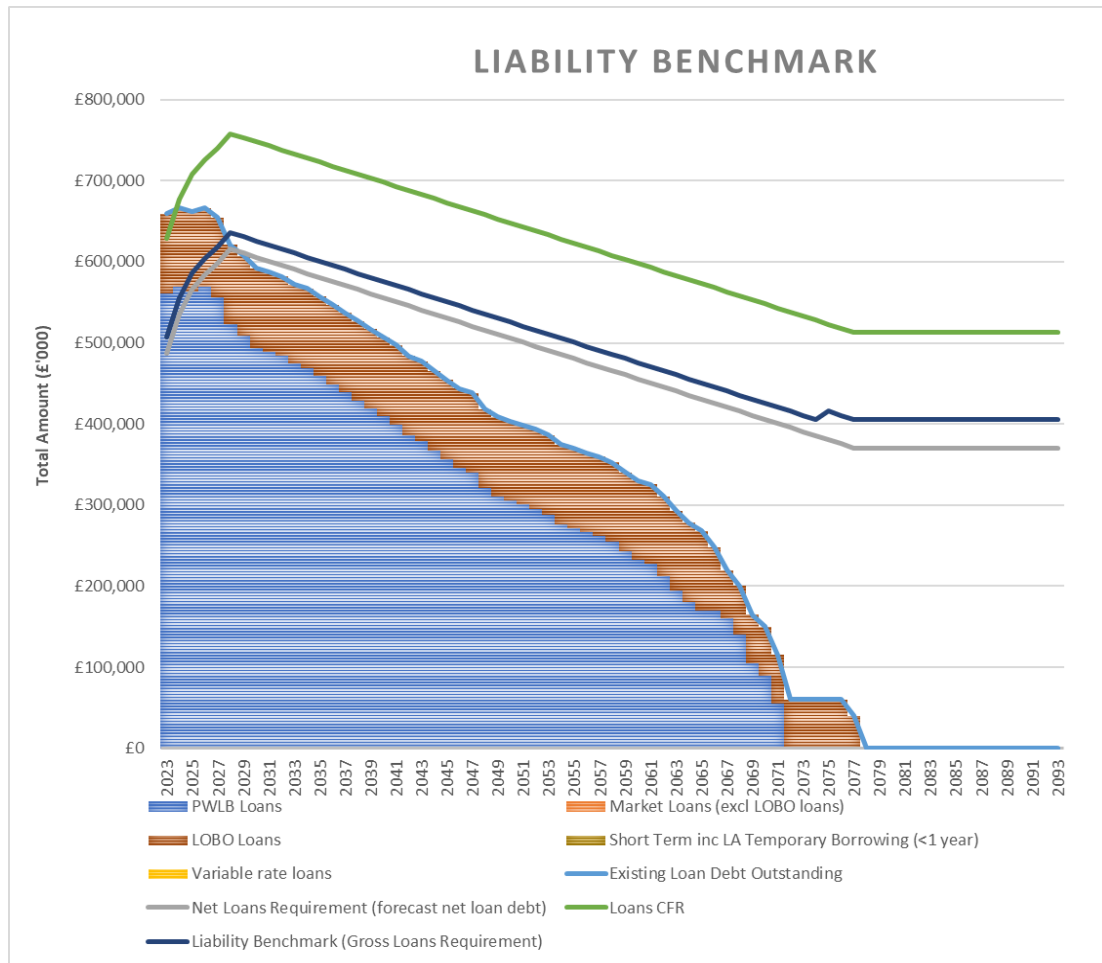
Ratio of Financing Costs to Net Revenue Stream						
	Actual 2022/23 %	Revised 2023/24 %	Estimate 2024/25 %	Estimate 2025/26 %	Estimate 2026/27 %	Estimate 2027/28 %
General Fund	6.41	6.00	6.14	6.12	5.98	5.82
HRA	15.0	13.6	12.67	12.77	14.22	15.14

Ratio of Net Investment/Commercial Income Stream to Net Revenue Stream						
	Actual 2022/23 %	Revised 2023/24 %	Estimate 2024/25 %	Estimate 2025/26 %	Estimate 2026/27 %	Estimate 2027/28 %
General Fund	16.53	15.4	14.29	13.88	13.52	13.14

Gross Debt v Capital Financing Requirement

The gross debt position versus the capital financing requirement is detailed below. The profile below assumes no externalisation of the CFR requirement from 2023/24 save for refinancing purposes. The profile and liability benchmark therefore shows an underborrowed position however the S 151 Officer shall determine externalising the net position when interest rates and opportunities arise and as cashflow dictates .

Comparison of average gross debt and capital financing requirement	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	actual	probable	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Average Debt Outstanding (gross)	690,672	685,560	680,557	673,557	654,057	639,557
Capital Financing Requirement at 31st March	630,326	686,391	717,529	734,211	743,850	756,416
Net Position	-60,346	831	36,972	60,654	89,793	116,859



3. The current portfolio position

3.1 The Council's projected debt portfolio position at 31/3/24 comprises:

	Principal outstanding 31 March 2024 £'000	Average rate of Interest %
Public Works Loan Board	487,500	3.67
Money Market	98,000	4.10
Temporary	1,888	3.91
Welsh Govt.	32,907	0.00
Total	620,297	3.6
And managed separately as required by statute:		
HRA Subsidy Buyout	73,580	4.25

3.2 The Council's forecast investment portfolio at 31 March 2024 is as follows:

Managed Investments	Investments 31 March 2024	2023/24 Probable Investment Return	2024/25 Estimated Investment Return
	£'000	%	%
Internally Managed	187,061	4.89%	4.8%

4. Prospects for Interest Rates

4.1 The Council's Treasury advisers (Link Asset Services) provided the following interest rate forecast for both short term (bank rate) and long term (PWLB) interest rates as at Jan 2024.

	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

4.2 Economic Background

Attached at Appendix B is an economic background assessment provided by our Treasury advisers, Link Asset Services. This detailed assessment has informed the proposed strategies.

- Our central forecast for interest rates was previously updated on 7 November and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

4.3 The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-

zone. At the time of writing there is c70 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is even.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- **Geopolitical risks**, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- Despite the tightening in Bank Rate to 5.25%, the **Bank of England allows inflationary pressures to remain elevated** for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- **The pound weakens** because of a lack of confidence in the UK Government’s pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.

5. The In Year Borrowing Requirement

5.1 The following outlines the Council’s net capital borrowing / repayment requirements (as approved at time of writing) for 2023/24 to 2027/28: Actual borrowing shall not necessarily reflect the profile below. The actual timing of borrowing is informed by best Treasury Management practice, prevailing interest rates and cashflow demands as determined by the S 151 Officer.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Borrowing and repayment requirements	Actual	Probable	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
To finance new capital expenditure by supported borrowing	6,347	6,355	6,385	6,385	6,385	6,385
To finance new capital expenditure by unsupported	13,768	68,517	44,885	31,424	25,786	29,580

borrowing						
To replace loans maturing/repaid prematurely/voluntary contributions	2,776	5,508	7,508	7,508	19,508	14,508
Less						
Repayments (MRP)	17,590	18,070	19,875	21,091	22,389	23,132
Set aside capital receipts						
NET IN YEAR BORROWING /(REPAYMENT) REQUIREMENT	5,301	62,310	38,903	24,226	29,290	27,341

- 5.2 The borrowing requirement above reflects known and approved planned capital expenditure to date as outlined in the “*The Capital Budget and Programme 2023/24 – 2027/28*” and the “*HRA Capital Programme 2023/24-2026/27*” reports elsewhere on this agenda and in all likelihood due to previous funding activity shall not be funded in year or in advance in accordance with the borrowing in advance of need policy, however this may change as opportunities to borrow affordably arise.
- 5.3 It can be seen from the “*The Capital Budget and Programme 2023/24 – 2027/28*”, that the capital programme contains a comprehensive programme of major construction projects requiring material capital funding :
- 5.4 A significant portion of the current capital programme is comprised of a number of major regeneration and community construction programmes being undertaken by the Authority:
- 5.5 The updated total Capital programme which includes QED/Sustainable Communities for Learning Schools Programme and Swansea Central City Deal schemes highlights a 5 year forward expenditure programme plus 2023/24 of £431.532m identifying an unsupported borrowing requirement of £147.559m. The capital planning envelope for unsupported borrowing requires significant revenue funding to service the finance and this is set out in both the reports on the revenue budget and the medium term financial plan.
- 5.6 Phased, considered affordable borrowing, within the overall planning envelope has developed over recent years and, in the case of the funding, from the City Deal, across the next 10 years. Some Major schemes within the General Fund Capital Programme which are partially or fully financed by borrowing are as follows:
- Swansea Central Arena phased development
 - Digital Village, 71-72 Kingsway offices
 - Community hub development
 - Castle Square Regeneration
 - Palace Theatre development
 - Swansea Vale new car park where borrowing will be financed by future rental income.

5.7 Although there is significant accompanying grant funding and City Deal funding for a number of these schemes, there is a substantial unsupported borrowing requirement to underwrite these schemes.

5.8 Schools Programme and Financing 2023/24 – 2028/29

In July 2017 Cabinet endorsed the council's Band B of the 21st Century Schools Strategic Outline Programme and the proposed capital investment priorities. Since the initial approval there have been several other changes within the programme. The Welsh Government capital grant intervention rate was set at 50% for Band B, but Welsh Government announced on 21 November 2018, that the Band B intervention rate for capital projects would be increased to 65%, and for special schools and PRUs to 75%. The intervention rate for voluntary aided projects remained unchanged at 85%. In September 2023, Cabinet endorsed an uplift to the programme envelope to £176m, with a switch to wholly capital funding (instead of using the Mutual Investment Model for some of the projects).

5.9 Since 2017, the remaining Band A project – a new build for Gorseinon Primary School – has been completed. The completed Band B projects are new builds for the Pupil Referral Unit (Maes Derw), YGG Tan y Lan and YGG Tirdeunaw, and new blocks and refurbishment and remodelling for Ysgol Gyfun Gwyr and Bishopston Comprehensive School.

5.10 Band B ends on 31 March 2024 and councils are now required to submit a new Strategic Outline Programme (SOP) to the Welsh Government for a rolling programme by 31 March 2024.

5.11 The nine-year capital programme, extending to 2032/33 and including an indicative funding forecast for the nine years, is required to be submitted to the Welsh Government for consideration towards providing a commitment and support for the first three years along with in-principle support for years 4, 5 and 6. Years 7 to 9 will reflect the longer-term project pipeline. Band B projects not yet completed can be included at the beginning of the nine-year capital programme.

5.12 The new draft rolling programme is the subject of a separate report on the agenda which details the expected costs and funding. Following this report the Strategic Outline Programme must be submitted by 31st March 2024 for scrutiny by WG policy teams over a period of several months.

5.13 If approved, each of the investment priorities will be subject to detailed business case development and further WG approvals, together with separate reports to Cabinet for decision. Some of the priorities may require statutory consultation and catchment area reviews. These will be the subject of separate Cabinet reports

5.14 Swansea Central City Deal Programme and Financing

- The Swansea Central City Deal Phase 1 Arena scheme construction phase was approved at Cabinet on 21 November 2019 at a cost of

£134.837m, subsequently increased for additional elements to £135.1m. The detailed outstanding financing for this scheme is shown in the capital programme report and spend will be funded from a combination of City Deal grant, capital receipts and unsupported borrowing.

- Swansea Central City Deal Phase 2 Digital Village scheme construction has commenced on site. The current approved financing for this scheme at a total of £41.592m is shown in The capital programme report which is funded from a combination of City Deal grant, unsupported borrowing and contributions.

5.15 Notwithstanding this scale of ambition, each major scheme will, as is always the case, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate, and unsupported borrowing will be undertaken on a phased basis within the overall medium/long term envelope of affordability.

5.16 The Council continues to face significant challenges delivering the Capital Programme during uncertain economic times with high inflation impacting on capital budgets.

5.17 In considering the above, the Council shall determine that its plans are affordable, prudent and sustainable and shall formulate its Treasury Management, Borrowing & Investment Strategy and MRP Policy accordingly.

5.18 The above table in 5.1 details the net borrowing requirement for each financial year. In accordance with the Prudential Code, borrowing must be undertaken in line with a funding plan informed by the projected capital financing requirement. Borrowing may be financed from one or more of Public Works Loan Board loans, money market loans, other local authorities or internal loans. The precise choice and timing will depend on market conditions from time to time and will not necessarily mirror the profiling above. In practice, borrowing shall be optimised when interest rates offer long term value with operational financing being funded from internal cash balances as cashflow allows in accordance with our long term strategy.

Permitted sources of borrowing include:

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●

Local Bonds	●	
Other public sector issued Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

- 5.19 Housing Revenue Account (HRA) Subsidy Reforms - Self Financing Settlement
As outlined in the report approved by Council on 2nd Dec 2014 entitled “*Reform of the Housing Revenue Account Subsidy System*” the Authority has entered into a Voluntary Agreement with Welsh Government to exit the current HRA subsidy system, resulting in more flexibility for the Authority in meeting affordable housing needs in the locale. In order to exit the current HRA subsidy system, a cash settlement amount had to be paid over to HM Treasury equal to a sum determined by formulae agreed in the Voluntary Agreement which resulted in a settlement figure of £73.58m for this Authority. The overriding principle of the HRA Reform is that all local housing authorities will be financially better off in revenue terms after the reforms.
- 5.20 The HRA reform settlement was required to be made to the Welsh Government on 1 April 2015 which was subject to a separate borrowing strategy dictated by the terms outlined in the Voluntary Agreement. The Council borrowed £73.58m from the PWLB at the pre agreed interest rate of 4.25% and remitted this total amount to Welsh Government on April 2nd 2015.
- 5.21 The servicing and amortisation of this pool of debt shall be managed completely separately from the remainder of the pooled (GF and HRA) debt portfolio as required by statute and this shall be recharged directly to the HRA.

6. Borrowing Strategy

- 6.1 PWLB borrowing interest rates remain relatively high into 2023/24 and are projected to remain so for 24/25. Now in retrospect the decision that the S 151 Officer made to take advantage of the unprecedented historically low interest rates and draw down £120m of PWLB borrowing in 2021/22 at historically the lowest interest rates ever drawn down by this Authority (averaging 1.93%) was highly prescient noting the subsequent swift and rapid interest rate movements upwards. At time of writing, borrowing rates are marginally higher than investment rates. Considering this, it has been determined that, cashflow dictating, the main strategy for funding the borrowing requirement for the capital programme shall be met by internalising the borrowing, whilst monitoring opportunities to borrow affordably.

- 6.2 Short term savings (by avoiding material new long term external borrowing) will be weighed against the potential additional long term extra costs (by delaying unavoidable new external borrowing until later) when long term rates are forecast to be higher (see 4.1).
- 6.3 However, notwithstanding the borrowing activity identified in 6.1 the overall strategy noting where rates are at the present time - with a view to minimising interest costs and the risk of default by counterparties - is therefore to continue to manage the borrowing requirement for operational financing with a view to averaging in the remainder of the borrowing requirement as cashflow and interest rates dictate in the medium/long term, however the scale of the capital programme and maturing financing dictates that the authority shall need to enter the funding market in the medium term.
- 6.4 Policy on borrowing in advance of need
The Council has only a limited power to borrow in advance of need which is delegated to the S 151 Officer to exercise.

In determining whether borrowing shall be undertaken in advance of need he shall:

- ensure that there is a clear link between the expected capital programme and maturity profile of the existing debt portfolio which supports the need to borrow in advance of need.
- the decision is informed by (up to) the forward 3 year projection of CFR and projected interest rate environment and modelled long term value secured, if undertaken.
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and which repayment profiles to use.

7. Debt Rescheduling

- 7.1 The introduction of different PWLB rates on 1 November 2007 for new borrowing (as opposed to early repayment of debt) and the setting of a spread between the two rates (of about 0.4%-0.5% for the longest period loans narrowing down to 0.25%-0.30% for the shortest loans), has meant that PWLB to PWLB debt restructuring is now much less attractive than before that date.
- 7.2 Due to short term borrowing rates being expected to be cheaper than longer term rates, there may be opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short term nature and the likely cost of refinancing short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any rescheduling needs to be considered net of any premium payable which in light of current interest rates is likely to be considerable.

- 7.3 In actively managing credit counterparty and interest rate risks, consideration will also be given to running down investment balances by repaying debt prematurely as short term rates on investments are likely to be significantly lower than rates paid on current debt.

However, a repayment strategy will only be considered if a loan repayment offers value in terms of discount / associated costs and does not compromise the Council's long term debt management policies. In this respect, we will need to be mindful of the potential future need to arrange new long term loans as market conditions change from time to time.

- 7.4 Notwithstanding the above, it is envisaged that there will not be any debt rescheduling opportunities in the short/medium term in the current PWLB portfolio, noting relative value and premiums payable to implement, however there may be opportunities to review the Authority's market debt dependent upon counterparty appetite. Opportunities are received from time to time and appraised and considered in line with 7.3. Any rescheduling decisions will be reported subsequently. .

8. The Annual Investment Strategy

8.1 Investment policy

- 8.1.1 The Council will have regard to the National Assembly of Wales' Guidance on Local Government Investments ("the Guidance") issued in March 2004 (and subsequent amendments); CIPFA's Revised Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA Treasury Management Code") and the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2004 SI 1010(W.107). The Council's investment priorities are: -

- (a) to ensure the security of capital
- (b) to ensure the liquidity of investments.
and only then
- (c) to maximise interest returns (yield) commensurate with (a) and (b)

The investment strategy will be implemented with security of investment as the main consideration. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

- 8.1.2 The permitted investment criteria are outlined in Appendix C.
- 8.1.3 Amendments to the arrangements, limits and criteria detailed in Appendix C may be made by the Section 151 Officer during the year and advised to the Cabinet Member for Economy, Finance & Strategy in the quarter following action.

Appendix G is the list of UK financial institutions (counterparties) which satisfy the Council's minimum credit criteria as at 20th January 2024

8.1.4 It is anticipated that the Council will continue to hold internally managed sums during 2024/25 ensuring a suitable spread of investment risks. The Council has fixed benchmarks against which investment performance will be measured, i.e. the SONIA rate (internally managed). NB (*LIBOR and LIBID rates ceased in 2021, now replaced by SONIA (Sterling Overnight Index Average)*)

8.1.5 Interest Rate Outlook:

The long-term (beyond 10 years) forecast for Bank Rate stands at 3.00%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023. :

PWLB debt	Current borrowing rate as at 08.01.24 p.m.	Target borrowing rate now (end of Q4 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.55%	4.70%
2025/26	3.10%	3.20%
2026/27	3.00%	3.00%
2027/28	3.25%	3.25%
2028/29	3.25%	3.25%
Years 6 to 10	3.25%	3.25%
Years 10+	3.25%	3.25%

8.1.6 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (1-3 months) in order to benefit from the compounding of interest. However longer dated deposits will be made with appropriate counterparties if opportunities arise.

8.1.7 During and following the end of the financial year, the Council will report on its investment activity as part of its Interim Year Treasury Management Report and its Annual Treasury Management Report.

- The Interim Year Treasury Management Report 2023/24 is attached at Appendix H,
- and the Annual Report 2022/23 is attached at Appendix I

8.2 Creditworthiness Policy

This Council uses the creditworthiness service provided by our Treasury Management Advisors. This service has been progressively enhanced over the years and now uses a sophisticated modelling approach with credit ratings from all three rating agencies. Fitch, Moodys and Standard & Poors form the core element. Appendix C outlines the types of investment considered appropriate for investment and the absolute limits in each case.

Appendix C outlines the Council's creditworthiness policy. Details of Fitch's short and long term ratings are at Appendix D.

The creditworthiness service does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system. The end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments.

All credit ratings will be monitored regularly with reference to the credit ratings report and updates. The Council is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.

There will be no future use of a counterparty/investment scheme which fails the credit rating tests.

In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swaps against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in the downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data, market information, information on government support for banks and the credit ratings of that government support and makert intelligence re. other counterparties e.g other local authorities.

8.3 Country Limits

The Authority has not made any new overseas deposits for several years since the global financial crisis. Going forward, continued caution will be required when considering future opportunities to make overseas investments. There are no plans to make overseas investments at this time.

If such opportunities arise then the Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide a rating) The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix E. This list will be added to or deducted from should ratings change in accordance with this policy.

8.4 Policy on the use of external advisers

The Council uses the services of an external Treasury Management adviser namely - Link Asset Services Treasury Management Advisors.

The Council recognises that responsibility for Treasury Management decisions remains with the Council at all times and as such, we will ensure that undue reliance is not placed upon external advisers.

However it is recognised that there is value in employing external advisers in relation to Treasury Management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

8.5 Scheme of Delegation

The role and responsibilities of the Council, Cabinet Member Financial Strategy and the S 151/Deputy S 151 officer are as follows:

(i) Council

- to receive and review reports on Treasury Management policies, practices and activities
- to receive and review the annual strategy.
- to receive and review amendments to the Authority's adopted clauses, Treasury Management policy statement
- to consider and approve the annual budget
- to receive and review the division of responsibilities

(ii) Cabinet Member for Financial Strategy to receive and review regular briefings/reports

- to receive and review the Treasury Management policy and procedures

(iii) Section 151 /Deputy S 151 Officer

- to recommend clauses, Treasury Management policy for approval
- Implement and keep up to date operational Treasury Management practices

- to review the same regularly and monitor compliance
- to submit Treasury Management policy reports
- to submit budgets and budget variations
- to receive and review management information reports
- to review the performance of the Treasury Management function
- to ensure the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function
- to ensure the adequacy of internal audit, and liaise with external audit
- to appoint external service providers.
- to ensure adequate Treasury Management training for elected members

8.6 Pension Fund Cash

The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 which was implemented on 1st January 2010. Any investments made by the Pension Fund will comply with the requirements of SI 2009 No 393. It is recognised that the risk profile of the Pension Fund differs from that of the Council and has outlined how it shall manage cashflow balances in its approved report to The Pension Fund Committee in June 2022 and the Treasury Management Team is delegated to implement the same whilst managing Pension Fund balances.

8.7 Non Treasury Investments

The Council recognises that investment for non-treasury management purposes in other financial assets and property, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and in the case of Swansea Council in investment property portfolios which although do provide a yield are held predominantly for strategic property management purposes. The Council will ensure that all the organisation's investments observe its capital strategy, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments if undertaking such investments. It is recognised that the risk appetite for these activities may differ from that for treasury management. The Capital Strategy Report also on this agenda outlines the strategy for these non treasury investments. HM Treasury have issued clear borrowing criteria in respect of accessing PWLB financing whereby it prohibits borrowing to finance property transactions primarily undertaken for yield.

8.8 Markets in Financial Instruments Directive II (MIFID II)

The EU Regulation MIFID II came into force in Jan 2018. Pre Jan 2018, this Authority was recognised as a professional investor. The new directive required financial institutions to recognise all investors as retail clients. This ensured maximum protections but also precluded some forms of investments, only available to professional clients. Financial Institutions may elect to opt up clients upon request, if they can demonstrate suitable professional competency and governance frameworks are in place. This Authority has successfully elected to opt up to professional status with all its counterparties and service providers.

9. Minimum Revenue Provision Policy Statement

9.1 Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery. It is inappropriate to charge the entirety of this expenditure in the year in which it is incurred i.e the expenditure benefits more than a single year of account. As such, the resulting costs are spread over several years. The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP) which was previously determined under Regulation and now is determined under Guidance.

9.2 Statutory instrument WSI 2008 no.588 section 3 states that “..a local authority must calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent,,”

The statutory requirement to make a 2% MRP charge for the Housing Revenue Account share of the Capital Financing Requirement (CFR) until 2020/21 when lifetime of asset shall be adopted as required by Housing Subsidy Buyout legislation is unchanged by this instrument.

9.3 Along with the above duty, the Welsh Assembly Government issued guidance in March 2008 which requires that a Statement on the Council’s Policy for its annual MRP should be submitted to the full Council for review before the start of the financial year to which the provision will relate. The Council is legally obliged to ‘have regard’ to the guidance.

9.4 The Welsh Assembly Government guidance outlined four broad options to adopt for the calculation of MRP. They are:

- Option 1- Regulatory Method
- Option 2 - Capital Financing Requirement Method
- Option 3 - Asset Life Method
- Option 4 – Depreciation Method

The options and guidance are detailed at Appendix F.

9.5 The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09 and revised its MRP Policy for 2019/20 in December 2018 in accordance with the main recommendations contained within the guidance issued by the Welsh Government

9.6 A large proportion of the MRP chargeable will relate to the historic debt liability (pre 2008/09) that historically was amortised on a 4% reducing balance (indefinite timescale) will now be charged at the rate of 2.5%% straight line (definite timescale, and equivalent to amortising over a 40 year asset life). The other capital expenditure funded using ‘unsupported borrowing’ will under delegated powers be subject to MRP under option 3 which will be charged over a period commensurate with the estimated useful life applicable to the nature of the expenditure or in accordance with the existing capitalisation directive.

- 9.7 Estimated useful life periods will be determined prudently under delegated powers having taken professional advice in relation to the asset in question. The Section 151 Officer reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
- 9.8 Going forward, it is proposed that all GF debt arising from capital expenditure supported by the WG through supported borrowing or the Local Government Borrowing Initiative will be charged MRP at 2.5% straight line (equivalent to being amortised over a 40 year asset life) and all other capital expenditure and other 'capitalised' expenditure will be repaid under option 3 (useful life) as appropriate unless otherwise superseded by any accompanying capitalisation directive/guidance. All HRA debt to be amortised at 2% until 2020/21 when new borrowing shall be amortised over the useful life of the asset (equivalent to 2.5% annualised or 40 year asset life) as required by statute

10. Legal Implications

- 10.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty. The statutory provisions and guidance imposing such a duty on the Authority are as set out in the main body of the Report.

11. Integrated Assessment Implications

- 11.1 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 their own needs.
- 11.2 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'.

- 11.3 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.
- 11.4 An integrated impact assessment screening has been undertaken and it concludes that there are no equality impact implications arising from this report. All future programs and schemes covered within this report will be subject to their own Integrated Impact Assessment process.

Background Papers: The revised CIPFA Treasury Management Code of Practice 2011

The revised CIPFA Prudential Code for Capital Finance in Local Authorities 2011

The revised CIPFA Prudential Code for Capital Finance in Local Authorities 2021

Appendices: Appendix A – Glossary of Terms
Appendix B – Treasury Advisors’ View On The Economic Background
Appendix C – Investment Criteria and creditworthiness policy
Appendix D – Credit Rating Agency Definitions
Appendix E – Approved Countries for Investment
Appendix F Minimum Revenue Provision Guidance
Appendix G – Approved Internal Counterparty Lending List
Appendix H- Interim Treasury Management Report 2023/24
Appendix I – Treasury Management Annual Report 2022/23

TREASURY MANAGEMENT – GLOSSARY OF TERMS

Annualised Rate of Return	Represents the average return which would have been achieved each year.
Authorised Limit <i>(can also be considered as the affordable borrowing limit)</i>	The authorised limit must be set to establish the outer boundary of the local authority's borrowing based on a realistic assessment of the risks. The authorised limit is certainly not a limit that an authority will expect to borrow up to on a regular basis. It is crucial that it is not treated as an upper limit for borrowing for capital expenditure alone since it must also encompass borrowing for temporary purposes. It is the expected maximum borrowing need, with some headroom for unexpected movement.
Bank Rate	The Official Bank rate paid on commercial bank reserves i.e. reserves placed by commercial banks with the Bank of England as part of the Bank's operations to reduce volatility in short term interest rates in the money markets.
Base Rate	Minimum lending rate of a bank or financial institution in the UK.
Basis Points (bp)	A basis point is 0.01 of 1% (100 bp = 1%)
Borrowing	In the Code, borrowing refers to external borrowing. Borrowing is defined as both:- <ul style="list-style-type: none"> • Borrowing repayable with a period in excess of 12months • Borrowing repayable on demand or within 12months
Capital Expenditure	The definition of capital expenditure starts with all those items which can be capitalised in accordance with the Statement of Recommended Practice (SORP). To this must be added any items that have/will be capitalised in accordance with legislation that otherwise would not be capitalised. Prudential indicators for current and future years are calculated in a manner consistent with this definition.
Capital Financing Charges	These are the net costs of financing capital i.e.

(see financing costs also)	interest and principal, premium less interest received and discounts received.
Capital Financing Requirement	The Capital Financing Requirement is simply the total outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.
CIPFA	The Chartered Institute of Public Finance and Accountancy. One of the leading professional accountancy bodies in the UK and the only one which specialises in the public services.
Counterparty	The organisations responsible for repaying the Council's investment upon maturity and for making interest payments.
Credit Rating	<p>This is a scoring system that lenders issue people with to determine how credit worthy they are.</p> <p>The Credit Rating components are as follows:</p> <ol style="list-style-type: none"> 1. The AAA ratings through to C/D are long-term rating definitions and generally cover maturities of up to five years, with the emphasis on the ongoing stability of the institution's prospective financial condition. AAA are the most highly rates, C/D are the lowest. This Council does not invest with institutions lower than AA- for investments over 364 days 2. F1/A1/P1 are short-term rating definitions used by Moody's, S&P and Fitch Ratings for banks and building societies based on their individual opinion on an institution's capacity to repay punctually its short-term debt obligations (which do not exceed one year). This Council does not invest with institutions lower than F1/A1/P1 for investments under 364 days.
Debt	For the purposes of the Code, debt refers to the sum of borrowing (see above) and other long-term liabilities (see below). It should be noted that the term borrowing used with the Act includes both borrowing as defined for the balance sheet and other long terms liabilities

	defined as credit arrangements through legislation.
Discounts	Where the prevailing interest rate is higher than the fixed rate of a long-term loan, which is being repaid early, the lender can refund the borrower a discount. This is calculated on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender is able to offer the discount, as their investment will now earn more than when the original loan was taken out.
Financing Costs	The financing costs are an estimate of the aggregate of the following:- <ul style="list-style-type: none"> • Interest payable with respect to borrowing • Interest payable under other long-term liabilities • Gains and losses on the repurchase or early settlement of borrowing credited or charged to the amount to be met from government grants and local taxpayers (premiums and discounts) • Interest earned and investment income • Amounts required in respect of the minimum revenue provision plus any additional voluntary contributions plus any other amounts for depreciation/impairment that are charged to the amount to be met from government grants and local taxpayers
Financial Reporting Standards (FRSs)	These are standards set by governing bodies on how the financial statements should look and be presented.
Investments	Investments are the aggregate of:- <ul style="list-style-type: none"> • Long term investments • Short term investments (within current assets) • Cash and bank balances including overdrawn balances <p>From this should be subtracted any investments that are held clearly and explicitly in the course of the provision of, and for the purposes of, operational services.</p>

IMF	International Monetary Fund
LOBO (Lender's Option/ Borrower's Option)	Money Market instruments that have a fixed initial term (typically one to ten year) and then move to an arrangement whereby the lender can decide at pre-determined intervals to adjust the rate on the loan. At this stage the borrower has the option to repay the loan.
Managed Funds	<p><u>In-House Fund Management</u> Surplus cash arising from unused capital receipts and working cashflows can be managed either by external fund managers or by the Council's staff in-house. The in-house funds are invested in fixed deposits through the money markets for periods up to one year.</p> <p><u>Externally Management Funds</u> Fund managers appointed by the Council invest surplus cash arising from unused capital receipts in liquid instruments such as bank certificates of deposit and government stocks. The fund managers' specialist knowledge should ensure a higher rate of earnings on the managed funds than would be otherwise obtained.</p>
Maturity	The date when an investment is repaid or the period covered by a fixed term investment.
Minimum Revenue Provision (MRP)	The amount required by statute to be principal repayment each year.
Monetary Policy Committee (MPC)	This is a body set up by the Government in 1997 to set the repo rate (commonly referred to as being base rate). Their primary target (as set by the Government) is to keep inflation within plus or minus 1% of a central target of 2% in two year time from the date of the monthly meeting of the Committee. Their secondary target is to support the Government in maintaining high and stable levels of growth and employment.
Money Market	<p>Consists of financial institutions and deals in money and credit.</p> <p>The term applied to the institutions willing to trade in financial instruments. It is not a physical creation, but an electronic/telephone one.</p>

Net Borrowing	For the purposes of the Code, net borrowing refers to borrowing (see above) net of investments (see above).
Net Revenue Stream	Estimates for net revenue stream for current and future years are the local authority's estimates of the amounts to be met from government grants and local taxpayers.
Operational Boundary	This is based on expectations of the maximum external debt of the authority according to probable not simply possible – events and being consistent with the maximum level of external debt projected by the estimates. It is not a limit and actual borrowing could vary around this boundary for short periods.
Other Long Term Liabilities	The definition of other long term liabilities is the sum of the amounts in the Council's accounts that are classified as liabilities that are for periods in excess of 12months, other than borrowing (see definition above).
Premature Repayment of Loans (debt restructuring/rescheduling)	A facility for loans where the Council can repay loans prior to the original maturity date. If the loan repaid has a lower interest rate than the current rate for a loan of the same maturity period the Council can secure a cash discount on the repayment of the original loan. If the loan replaced has a higher rate of interest than the current rate for a loan of the same maturity period, a cash penalty is payable to the lender.
Premia	Where the prevailing current interest rate is lower than the fixed rate of a long term loan, which is being repaid early, the lender can charge the borrower a premium. This is calculated on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender may charge the premium, as their investment will now earn less than when the original loan was taken out.
Prudential Code	The Prudential Code is the largely self regulatory framework outlined by CIPFA for managing/monitoring capital investment in

	local government.
Public Works Loan Board (PWLB)	A Government agency which provides loans to local authorities. Each year, it issues a circular setting out the basis on which loans will be made available. Loans can be either at a fixed rate or on a variable rate basis. They can be repaid on either an annuity, equal instalment of principal or maturity basis. The interest rate charged is linked to the cost at which the Government itself borrows.
Risk	<p><u>Counterparty Credit Risk</u> The risk that a counterparty defaults on its obligations.</p> <p><u>Inflation Risk</u> The risk that growth in the Authority's investment income does not keep pace with the effects of inflation on its expenditure.</p> <p><u>Interest Rate Risk</u> The risk that changes in rates of interest creates an unexpected or unbudgeted burden on the Council's finances.</p> <p><u>Liquidity Risk</u> The risk that cash will not be available when it is needed.</p> <p><u>Operational Risk</u> The risk of loss through fraud, error, corruption, system failure or other eventualities in Treasury Management dealings, and failure to maintain effective contingency management arrangements.</p> <p><u>Refinancing Risk</u> The risk that the Authority is unable to replace its maturing funding arrangements on appropriate terms.</p>
Set Aside Capital Receipts	A proportion of money received by the Council for the sale of fixed assets must be set aside to repay debt.
SONIA (sterling overnight index average)	Sterling Overnight Index Average, abbreviated SONIA, is the effective overnight interest rate paid by banks for unsecured transactions in

	<p>the British sterling market. It is used for overnight funding for trades that occur in off-hours and represents the depth of overnight business in the marketplace.</p> <p>It offers an alternative to LIBOR as a benchmark interest rate for financial transactions.</p>
SORP	Statement of Recommended Practice, published by CIPFA (Local Authority Accounting Body). This sets out guidelines regarding the Council's financial matters.
Specified/Non Specified investments	Specified investments are sterling denominated investments for less than 364 days as identified in Appendix C in line with statutory investment regulations. Non-specified investments are all other investments identified in Appendix C in line with statutory investment regulations.
Supranational Bonds	These are bonds issued by institutions such as the European Investment Bank and World Bank. As with Government bonds (Gilts) they are regarded as the safest bond investments with a high credit rating.
Temporary Borrowing and Investment	Loans which are capable of being repaid within one year. The term of the loans will be negotiated from overnight to 364 days.
Treasury Management	<p>Treasury Management has the same definition as in CIPFA's code of Practice of Treasury Management in the Public Services.</p> <p>"The management of the organisation's cash flows its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."</p>
Yield Curve	The line resulting from portraying interest rate graphically for a series of periods, e.g. 7days, 1month, 3, 6, 9, and 12months. When longer-term interest rates are higher than short-term rates the yield curve slopes upwards and is described as positive. When the opposite prevails the yield curve is referred to as inverse.

TREASURY ADVISORS' VIEW ON THE ECONOMIC BACKGROUND

- The third quarter of 2023/24 saw:
 - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
 - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS “experimental” rate of unemployment has remained low at 4.2%;
 - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
 - Core CPI inflation decreasing from April and May’s 31 years’ high of 7.1% to 5.1% in November, the lowest rate since January 2022;
 - The Bank of England holding Bank Rate at 5.25% in November and December;
 - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with

the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide's December data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.

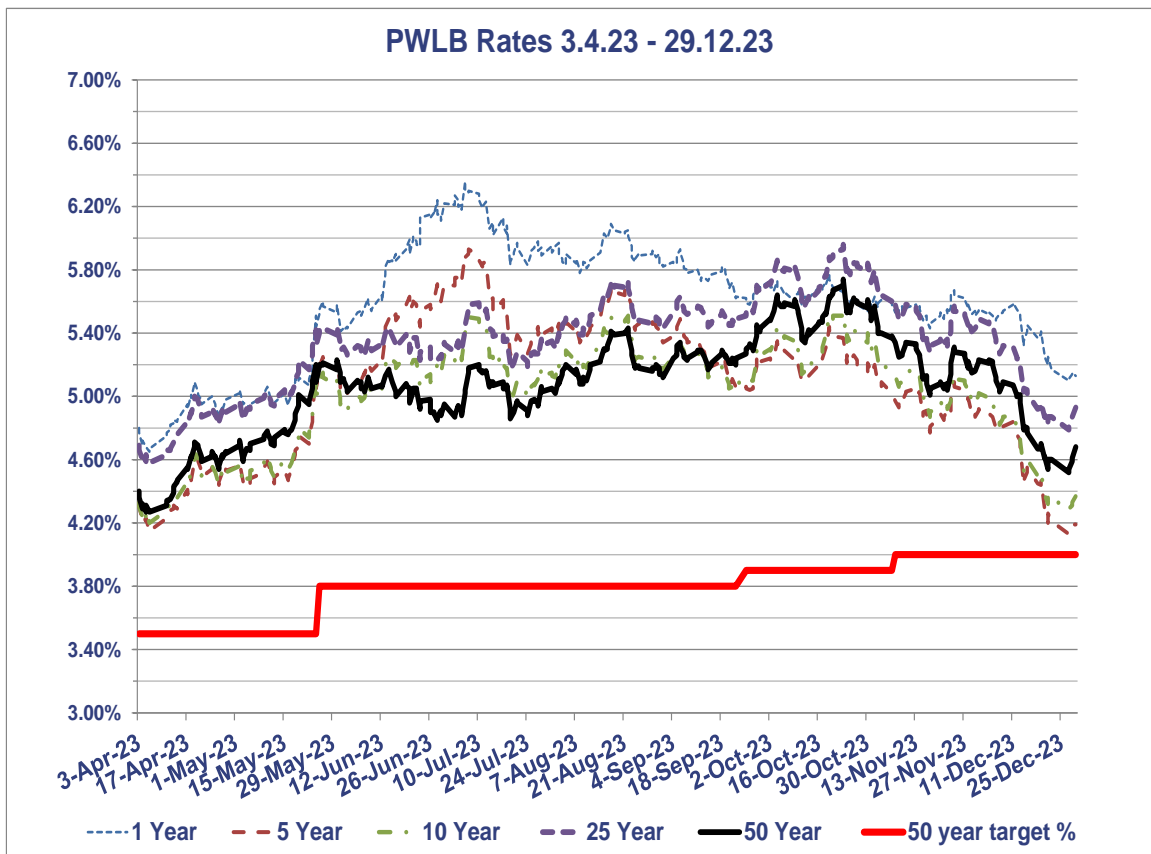
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.
- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to

the familiar script, saying that policy will be “sufficiently restrictive for sufficiently long” and that “monetary policy is likely to need to be restrictive for an extended period of time”. In other words, the message is that the MPC is not yet willing to endorse investors’ expectations that rates will be cut as soon as May 2024.

- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won’t feel comfortable cutting interest rates until H2 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors’ growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index’s high concentration of energy companies

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.

PWLB RATES 3.4.23 - 29.12.23



HIGH/LOW/AVERAGE PWLB RATES FOR 3.4.23 – 29.12.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.60%	5.09%	5.03%	5.35%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

MPC meetings 2nd November and 14th December 2023

- On 2nd November, the Bank of England’s Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about “sticky” inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.

In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

Creditworthiness Policy and Investment Criteria

The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands

- Yellow 5 years *
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks /UK Govt debt*	yellow	£120m	5yrs
Banks	purple	£30m	2 yrs
Banks	orange	£30m	1 yr
Banks – part nationalised	blue	£35m	1 yr
Banks	red	£30m	6 mths
Banks	green	£30m / %	100 days
Banks	No colour	Not to be used	
Council's banker	-	£35m / %	5 yrs
Other institutions limit	-	£30m	1yr
DMADF	AAA	unlimited	6 months
Local authorities	n/a	£35m	5yrs
	Fund rating	Money and/or % Limit	Time Limit
Money market funds	AAA	£30m / %	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	£30m / %	liquid
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	£30m / %	liquid

** Please note: the yellow colour category is for UK Government debt, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt*

The Capita Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored before deals are undertaken and The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

Investment Criteria for Specified and Non Specified Investments

1.1 Investments will be made in accordance with the following terms:

1.1.1 Specified Investments:

(All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable and the principal sum to be repaid at maturity is the same as the initial sum invested other than investments in the UK Government.)

Instrument	Minimum Credit Criteria	Use	Max investment
Debt Management Agency Deposit Facility	--	In-house	£120M
Term deposits – UK government	--	In-house	£120M
Term deposits – other LAs	--	In-house	£30M with each counterparty
Term deposits – banks and building societies	Short-term F1,P1,A1, Long-term AA- or UK nationalised banks Blue Orange Red Green No Colour	fund managers and In-house 12 months 12 months 6 months 100 days Not for use	£30M with each counterparty/ per agreement
Term deposits – Banks nationalised by highly credit rated sovereign countries	Short-term F1,P1,A1, Long-term AA- Blue Orange Red Green No Colour	fund managers and In-house 12 months 12 months 6 months 100 days Not for use	£30M with each counterparty/ per agreement
Government guarantee on all deposits by high credit rated	Short-term F1,P1,A1, Long-	fund managers	£30M with each counterparty/

sovereign countries	term AA- or UK nationalised banks Blue Orange Red Green No Colour	and In-house 12 months 12 months 6 months 100 days Not for use	per agreement
UK Government supported banking sector	Short-term F1,P1,A1, Long-term AA- or UK nationalised banks Blue Orange Red Green No Colour	fund managers and In-house 12 months 12 months 6 months 100 days Not for use	£30M with each counterparty/ per agreement
UK Government Gilts with maturities in excess of 1 year	AAA	Fund Managers/in house	See 2 below/£25M with each counterparty
Bonds issued by multilateral development banks	AA	In-house on a 'buy-and-hold' basis. Also for use by fund managers	£25M with each counterparty and per agreement
Bonds issued by a financial institution which is guaranteed by the UK government	AA-	In-house on a 'buy-and-hold' basis. Also for use by fund managers	£25M with each counterparty per agreement
Sovereign bond issues (i.e. other than the UK govt)	AAA	In- house Fund Managers	£25M with each counterparty per agreement
Corporate Bonds : [under SI 1010 (W.107)]	AA-	In- house Fund Managers	£25M with each counterparty per agreement
Gilt Funds and Bond Funds	AA-	In- house Fund Managers	£30M per agreement
Money Market Funds	AAA	In- house Fund Managers	£25M per agreement
Property/alternative asset funds	AA-	Fund managers	£20M per agreement
Floating Rate Notes	AA-	Fund	per agreement

		managers	
Treasury Bills	N/A	Fund Managers	per agreement
Local authority mortgage guarantee scheme	Short-term F1,P1,A1	In-house	£25m with each counterparty

1.1.2 **Non-Specified Investments:**

A maximum of 35% will be held in aggregate of Council managed funds in non-specified investments.

Instrument	Min Credit/Colour Criteria	Use	Maximum Period	Maximum Investment
Term deposits – UK government (with maturities in excess of 1 year)		In-house	5 years	£25M
Term deposits – other Local Authorities (with maturities in excess of 1 year)		In-house	5 years	£25M with each counterparty
Deposits with banks and building societies covered by UK government guarantee	Long-term AA- Blue Orange	Fund managers/ in-house	See 2 and 3 below 12 months 12 months	per agreement/£25m with each counterparty
Certificates of deposits issued by banks and building societies covered by UK government guarantee	Long-term AA- Blue Orange	Fund managers/in house	See 2 and 3 below 12 months 12 months	per agreement/£25m with each counterparty
UK Government Gilts	-	Fund Managers/in house	See 2 and 3 below/5 years	per agreement /£25M
Treasury Bills	-	Fund Managers/in house	See 2 and 3 below/5 years	per agreement /£25M
Term deposits – banks and building societies (with maturities in excess of 1 year)	Long-term AA- Blue Orange	In-house	5 years 12 months 12 months	£25M with each counterparty
Certificates of deposits issued by banks and building societies	Long-term AA- Blue Orange	fund managers/in -house	10 years 12 months 12 months	per agreement /£25M with each counterparty
UK Government Gilts	AAA	Fund	10 years	See 2

with maturities in excess of 1 year		Managers/in house		below/£25M with each counterparty
Bonds issued by multilateral development banks	AA	In-house on a 'buy-and-hold' basis. Also for use by fund managers	5 years 10 years	£25M with each counterparty and per agreement
Bonds issued by a financial institution which is guaranteed by the UK government	-	In-house on a 'buy-and-hold' basis. Also for use by fund managers	5 years 10 years	£25M with each counterparty per agreement
Sovereign bond issues (i.e. other than the UK govt)	AAA	In- house Fund Managers	5 years 10 years	£25M with each counterparty per agreement
Corporate Bonds : [under SI 1010 (W.107)]	Long-term AA-	In- house Fund Managers	5 years 10years	£25M with each counterparty per agreement
Gilt Funds and Bond Funds	Long-term AA-	In- house Fund Managers	5 years 10years	£15M per agreement
Money Market Funds	AAA	In- house Fund Managers	n/a n/a	£25M per agreement
Property/alternative asset funds	-	Fund managers	n/a	£20M per agreement
Floating Rate Notes	Long-term AA-	Fund managers	10 years	per agreement
Treasury Bills	N/A	Fund Managers	10 years	per agreement
Local authority mortgage guarantee scheme	Short-term F1,P1,A1 Long-term AA-,	In-house	10 years	£25m with each counterparty

Fitch International Long-Term Credit Ratings

International Long-Term Credit Ratings (LTCR) may also be referred to as Long-Term Ratings. When assigned to most issuers, it is used as a benchmark measure of probability of default and is formally described as an Issuer Default Rating (IDR). The major exception is within Public Finance, where IDRs will not be assigned as market convention has always focused on timeliness and does not draw analytical distinctions between issuers and their underlying obligations. When applied to issues or securities, the LTCR may be higher or lower than the issuer rating (IDR) to reflect relative differences in recovery expectations. The following rating scale applies to foreign currency and local currency ratings:

Investment Grade	Definition
AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
BBB	Good credit quality. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.
Speculative Grade	Definition
BB	Speculative. 'BB' ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.
B	Highly speculative. <ul style="list-style-type: none"> • For issuers and performing obligations, 'B' ratings

	<p>indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favourable business and economic environment.</p> <ul style="list-style-type: none"> • For individual obligations, may indicate distressed or defaulted obligations with potential for extremely high recoveries. Such obligations would possess a Recovery Rating of 'RR1' (outstanding).
CCC	<p>For issuers and performing obligations, default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favourable business or economic conditions.</p> <ul style="list-style-type: none"> • For individual obligations, may indicate distressed or defaulted obligations with potential for average to superior levels of recovery. Differences in credit quality may be denoted by plus/minus distinctions. Such obligations typically would possess a Recovery Rating of 'RR2' (superior), or 'RR3' (good) or 'RR4' (average).
CC	<p>For issuers and performing obligations, default of some kind appears probable.</p> <ul style="list-style-type: none"> • For individual obligations, may indicate distressed or defaulted obligations with a Recovery Rating of 'RR4' (average) or 'RR5' (below average).
C	<ul style="list-style-type: none"> • For issuers and performing obligations, default is imminent. • For individual obligations, may indicate distressed or defaulted obligations with potential for below-average to poor recoveries. Such obligations would possess a Recovery Rating of 'RR6' (poor).
RD	<p>Indicates an entity that has failed to make due payments (within the applicable grace period) on some but not all material financial obligations, but continues to honour other classes of obligations.</p>
D	<p>Indicates an entity or sovereign that has defaulted on all of its financial obligations. Default generally is defined as one of the following:</p> <ul style="list-style-type: none"> • Failure of an obligor to make timely payment of principal and/or interest under the contractual terms of any financial obligation; • The bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business • The distressed or other coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.

Fitch International Short-Term Credit Ratings

The following ratings scale applies to foreign currency and local currency ratings. A Short-term rating has a time horizon of less than 13 months for most obligations, or up to three years for US public finance, in line with industry standards, to reflect unique risk characteristics of bond, tax, and revenue anticipation notes that are commonly issued with terms up to three years. Short-term ratings thus place greater emphasis on the liquidity necessary to meet financial commitments in a timely manner.

Short Term Rating	Current Definition
F1	Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
F2	Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
F3	Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non investment grade.
B	Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favourable business and economic environment.
D	Indicates an entity or sovereign that has defaulted on all of its financial obligations.

**Countries with approved Credit ratings as at Jan 2024
(NB subject to change)**

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France (downgraded by Fitch on 9th May 2023)
- Qatar
- **U.K.**

MINIMUM REVENUE PROVISION

1. Government Guidance

The Welsh Assembly Government issued new guidance in March 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council are legally obliged by section 21 (1b) to "have regard" to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to 'have regard' to the guidance therefore means that: -

Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

Where the CFR was nil or negative on the last day of the preceding financial year, the authority does not need to make an MRP provision. MRP in the current financial year would therefore be zero,

Option 1: Regulatory Method

Under the previous MRP regulations, General Fund MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for "Adjustment A") on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This option is available for the General Fund share of capital financing requirement which relates to capital expenditure incurred prior to 1 April 2008. It may also be used for new capital expenditure up to the amount which is deemed to be supported by the Welsh Assembly Government annual supported borrowing allocation. The use of the commutation adjustment to mitigate the MRP charge is also allowed to continue under this option.

Option 2: Capital Financing Requirement Method

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

Option 3: Asset Life Method.

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

The guidance suggests that any new borrowing which receives no Government support and is therefore self-financed would fall under option 3

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

Equal instalment method – equal annual instalments which are calculated using a simple formula set out in paragraph 9 of the MRP guidance,

under this approach, the MRP is provided by the following formula

$A - B$ divided by C

A is the amount of capital expenditure in respect of the asset financed by borrowing or credit arrangements

B is the total provision made before the current financial year in respect of that expenditure

C is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires

Annuity method – annual payments gradually increase during the life of the asset with an appropriate interest rate used to calculate the annual amount

Under both options, the authority may make additional voluntary revenue provision and this may require an appropriate reduction in later years' MRP

In addition adjustments to the calculation to take account of repayment by other methods (e.g. application of capital receipts) should be made as necessary.

Option 4: Depreciation Method

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

2. Date of implementation

The previous statutory MRP requirements cease to have effect after the 2006/07 financial year. However, the same basis of 4% charge in respect of the GF share of CFR may continue to be used without limit until the 2009/10 financial year, relative to expenditure incurred up to 31/3/2008, with the MRP policy being formally revised in Dec 2018 to reflect a 2.5% annual charge going forwards from that date.

The guidance suggests that Options 3 and 4 should be applied to any capital expenditure which results in an increase in the CFR and does not relate to the authority's Supported Capital Expenditure.

The guidance also provides the authority with discretion to apply Options 3 or 4 to all capital expenditure whether or not supported and whenever it is incurred.

Any unsupported capitalised expenditure incurred after 1 April 2008 which gives rise to an increase in the GF CFR should be repaid by using option 3 as adapted by paragraphs 23 and 24 of the guidance.

APPENDIX G

Active Internal Credit UK Counterparty List as at 6 February 2024
(subject to change)

Institution	Country	Bank/BS	Fitch	
			Ratings	
			L Term	S Term
Santander Financial Services PLC	UK	Bank	A+	F1
Bank of Scotland PLC	UK	Bank	A+	F1
Barclays Bank PLC (NRFB)	UK	Bank	A+	F1
Barclays Bank UK Plc (RFB)	UK	Bank	A+	F1
Close Brothers Ltd	UK	Bank	A-	F2
Goldman Sachs International Bank	UK	Bank	A+	F1
HSBC Bank PLC (NRFB)	UK	Bank	AA-	F1+
HSBC UK Bank PLC (RFB)	UK	Bank	AA-	F1+
Lloyds Bank Corporate Markets PLC (NRFB)	UK	Bank	A+	F1
Lloyds Bank PLC (RFB)	UK	Bank	A+	F1
Santander UK PLC	UK	Bank	A+	F1
Standard Chartered Bank	UK	Bank	A+	F1
SMBC Bank International PLC	UK	Bank	A-	F1
Coventry Building Society	UK	BS	A-	F1
Leeds Building Society	UK	BS	A-	F1
Nationwide Building Society	UK	BS	A	F1
Skipton Building Society	UK	BS	A-	F1
Yorkshire Building Society	UK	BS	A-	F1
Debt Management Office	UK			
Local Authorities	UK			

APPENDIX H

INTERIM YEAR TREASURY MANAGEMENT REPORT 2023/24

1 Background

1.1 This report is presented in line with the recommendations contained within The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management which requires an interim year review of Treasury Management operations to be presented to Council

1.2 Treasury Management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.” A glossary of terms is at Appendix 1.

1.3 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by this Council in February 2010.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead; a Mid-year Review Report and an Annual Report covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions.
5. Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body.

This Interim Year Review Report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for the first half of 2023/24
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy
- A review of the Council's investment portfolio for 2023/24
- A review of the Council's borrowing strategy for 2023/24
- A review of any debt rescheduling undertaken during 2023/24

- A review of compliance with Treasury and Prudential Limits for 2023/24

2 Cashflow Management

- 2.1 As previously reported, the Authority continues to lead in the distribution of the various Welsh Government grant aid in the wake of the pandemic and the ongoing cost of living crisis, often funding the distribution of cash before receiving it from Welsh Government.
- 2.4 It can be seen the prudent, careful management of Council balances/reserves enables a nimble reactive treasury management function in times of crisis. The Council's Treasury Management function was able to address and meet all the demands above and continues to do so..

3 Economic Update

3.1 The first half of 2023/24 saw:

- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
- Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
- A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
- CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
- Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
- A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to

decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show

the decision was “finely balanced”. Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.

- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further increases are needed”. The Bank also retained the hawkish guidance that rates will stay “sufficiently restrictive for sufficiently long”.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100’s relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914

3.2 **PWLB RATES.** The latest forecast on 25th September sets out a view that short, medium and long-dated interest rates will be elevated for some little

while, as the Bank of England seeks to squeeze inflation out of the economy.

Link Group Interest Rate View	25.09.23													
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75	
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80	
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90	
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00	
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50	
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50	
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80	
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60	

4 Review of the Treasury Management Strategy Statement and Investment Strategy

4.1 The Treasury Management Strategy Statement for 2022/23 was approved by Council in February 2023. The Council's Annual Investment Strategy, which is incorporated in the Treasury Management Strategy Statement, outlines the Council's investment priorities as follows in order of priority:

- Security of capital
- Liquidity
- Yield

4.2 The Council shall aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered only appropriate to invest with highly credit rated financial institutions, using our advisor's suggested creditworthiness appraisal approach, including sovereign credit rating and credit default swap (CDS) overlay information.

4.4 Borrowing rates and available investment interest rates have been on the upward trajectory in 2023/24. No borrowing has been undertaken in 2023/24 to date.

4.5 As outlined in Section 3 above, there is still considerable uncertainty and volatility in financial and banking markets, both globally and particularly in the UK, as it comes out of the of the pandemic and volatile inflationary environment. In this context, it is considered that the strategy approved in February 2023 is still appropriate in the current economic climate and has been reviewed whilst considering and formulating the strategy for 2024/25 as funding for capital and cashflow requirements dictate.

4.6 Public Works Loan Board (PWLB)

HM Treasury made a shock determination on the 9th October 2019 affecting all future borrowing from the Public Works Loan Board (PWLB) which would now be subject to an additional 1.00% 'premium' over and above existing margins above prevailing Gilt yields, primarily in response and to deter exponential growth in borrowing to fund speculative investment by a small number of local authorities in England. Strong representations were made via WLGA, and WG about the negative impact this change would have on capital programmes in progress throughout local authorities in Wales.

4.7 Following the strength of representations, HM Treasury launched a

consultation process on the PWLB borrowing process. The results of the consultation and accompanying guidance was issued in November 2020 when the 1.00% premium was removed. The accompanying guidance outlines what constitutes eligible expenditure for PWLB borrowing:

The guidance clearly prohibits 'investing primarily for yield' which it defines as:

Investment assets bought primarily for yield would usually have one or more of the following characteristics:

a. buying land or existing buildings to let out at market rate

b. buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification

c. buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly

The guidance DOES allow borrowing for regenerative purposes, which it defines as:

Regeneration projects would usually have one or more of the following characteristics:

a. the project is addressing an economic or social market failure by providing services, facilities, or other amenities that are of value to local people and would not otherwise be provided by the private sector

b. the local authority is making a significant investment in the asset beyond the purchase price: developing the assets to improve them and/or change their use, or otherwise making a significant financial investment

c. the project involves or generates significant additional activity that would not otherwise happen without the local authority's intervention, creating jobs and/or social or economic value

d. while some parts of the project may generate rental income, these rents are recycled within the project or applied to related regeneration projects, rather than being applied to wider services

Preventative action would have all of the following characteristics:

b. the intervention prevents a negative outcome, such as by buying and conserving assets of community value that would otherwise fall into disrepair, or providing support to maintain economic activity that would otherwise cease

b. there is no realistic prospect of support from a source other than the local authority

The guidance is also clear that PWLB borrowing cannot be used to replace

other Council funds which are then used to finance the ‘primarily for yield’ investment.

5 Review of Investment Portfolio 2023/24

- 5.1 In accordance with the Code, it is the Council’s priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council’s risk appetite
- 5.2 A full list of internally managed investments held as at 30th Sep 2023, is shown in Appendix 3. To 31st Sep 2023, the portfolio has returned 4.64 % against a SONIA benchmark rate of 4.73%

6 Review of Borrowing 2023/24

- 6.1 The latest 3 year projected capital financing requirement (CFR) applicable for 2023/24 is £782.798m. The total current outstanding borrowing is now £693.876m. No borrowing has been undertaken in the financial year 2023/24 to date.

7 Review of Debt Rescheduling 2023/24

- 7.1 Debt rescheduling opportunities are periodically evaluated in this unhelpful environment and current structure of interest rates of the debt portfolio. No debt rescheduling has been undertaken in 2023/24 to date.

8 Review of Compliance with Treasury & Prudential Limits 2023/24

- 8.1 It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. The Council’s approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Strategy Statement.
- 8.2 During the financial year to date the Council has operated within the Treasury limits and Prudential Indicators set out in the Council’s Treasury Management Strategy Statement and in compliance with the Council’s Treasury Management Practices. Compliance with the Prudential and Treasury Indicators are shown in Section 9.

9.0 Prudential Indicators

Capital Prudential Indicators	2022/23	2023/24
	Outturn	Revised Estimate
	£’000	£’000
Capital Expenditure		
GF	121,068	142,697
HRA	40,169	35,593
TOTAL	161,237	178,290
Ratio of financing costs to net revenue stream	%	%
GF	6.41	6.00
HRA	15.00	13.6

Capital Financing Requirement	£'000	£'000
GF	470,834	531,329
HRA	157,248	153,590
TOTAL	628,082	684,919

Treasury Management Prudential Indicators	2022/23	2023/24
	Outturn	Revised Estimate
	£'000 or %	£'000 or %
Authorised limit for external debt	828,829	843,850
Operational boundary for external debt	768,829	783,850
Upper limit for fixed interest rate exposure	85.89%/ £596,409	100%/ £843,850
Upper limit for variable interest rate exposure	14.11%/ £98,000	40%/ £337,540
Upper limit for total principal sums invested for over 364 days	0	50,000

Maturity Structure of Fixed Rate Borrowing in 2023/24			
	Upper Limit	Lower Limit	Actual
Under 12 months	50%	0%	0.7
12 months and within 24 months	50%	0%	0.5
24 months and within 5 years	50%	0%	0.1
5 years and within 10 years	85%	0%	9.7
10 years and above	95%	15%	89

The treasury management prudential indicators identified above as:

- Upper limit for fixed interest rate exposure
- Upper limit for variable interest rate exposure
- Upper limit for total principal sums invested for over 364 days
- Maturity Structure of fixed rate borrowing in 2023/24

Above figures are as at 30 Sep 2023. None of the above limits/Prudential Indicators have been breached during 2023/24 to date.

Investments as at 30/09/23

Counterparty**£**

Bradford Metropolitan District Council	5,000,000
Cornwall Council	15,000,000
Debt Management Office	85,300,000
Derbyshire County Council	5,000,000
Leeds City Council	15,000,000
Lloyds Bank	22,600,000
Merthyr Tydfil County Borough Council	5,000,000
Plymouth City Council	5,000,000
Santander Bank	6,750,000
SMBC Bank International Plc	14,000,000
Standard Chartered Bank (Sustainable Deposit)	25,000,000
Stockport Metropolitan Borough Council	10,000,000
Telford & Wrekin Council	5,000,000
West Dunbartonshire Council	5,000,000
Wirral Borough Council	13,000,000
	236,650,000

Treasury Management Annual Report 2022/23

Executive Summary

- 1.1 There is an in year capital financing requirement of ££628m for 2022/23. However as previously reported, the S 151 Officer undertook £120m in 2020/21 at historically low interest rates fulfilling the CFR requirements in the short term, therefore no borrowing was undertaken in 2022/23
- 1.2 The average interest rate on outstanding Council borrowing (not incl. HRA Subsidy Buyout debt) was 3.56% in 2022/23 down from 3.67% 2021/22
- 1.3 Internally Managed investments achieved a return of 1.95%. This lagged the average SONIA benchmark rate of 2.1% returning £4.401m of investment income.
- 1.4 The Council has operated within all of the determined treasury and prudential limits outlined in Appendix 1.

2. Introduction and Background

- 2.1 Treasury Management in local government is regulated by the CIPFA Code of Practice on Treasury Management in Public Services (the Code). The City and County of Swansea has adopted the Code and complies with its requirements. A glossary of terms used throughout this report is included at Appendix 2.
- 2.2 The primary requirements of the Code are the:
 - Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives
 - Receipt by the Council of an annual Treasury Management strategy report for the year ahead , a mid term update report and an annual review report of the previous year
 - Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions to the Section 151 Officer.
 - Treasury Management, in this context, is defined as:

“The management of the local authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of the optimum performance or return consistent with those risks.”

- 2.3 The Council has previously received in Mar 2022 and updated in March 2023 the Treasury Strategy Statement and Investment Strategy and MRP Strategy for 2022/23 and The Revised MRP Policy originally approved by Council in Dec 2018.
- 2.4 The Prudential Code for Capital Finance in Local Authorities has been developed as a professional code of practice to support local authorities in determining their programmes for capital investment. The Code was updated in 2021. Local authorities are required by Regulation under Part 1 of the Local Government Act 2003 to comply with the Prudential Code.
- 2.5 The objective of the Code is to provide a framework for local authority capital finance that will ensure for individual local authorities that:
- Capital expenditure plans are affordable
 - All borrowing and long term liabilities are within prudent and sustainable levels
 - Treasury Management decisions are taken in accordance with professional good practice
- 2.6 The Code includes a set of Prudential Indicators, which are designed to support and inform local decision-making. The 2022/23 Prudential & Treasury Management Indicators are detailed in Appendix 1.

3. Debt Portfolio

3.1 The Council’s external borrowing position at the beginning and end of the year was as follows:

	1 April 2022		31 March 2023	
	Principal £'000	Interest Rate %	Principal £'000	Interest Rate %
Long Term Debt				
PWLB - fixed rate	487,500	3.79	487,500	3.67
Money Market (LOBO)	98,000	4.10	98,000	4.10
Welsh Gov	29,382	-	33,414	-
Short Term Debt				
Market	102	0.12	91	2.19
External Bodies	1,684	0.28	1,824	3.27
Average rate		3.67		3.56
HRA Buyout				
PWLB – fixed rate	73,580	4.25	73,580	4.25
Total Debt	690,248		694,409	

3.2 The average external (non HRA Buyout) debt portfolio interest rate was 3.56%. (2021/22 3.67%)

4. Actual Borrowing 2022/23

- 4.1 The Treasury Management Strategy 2022/23 originally agreed by Council in March 2022 and updated in March 2023 projected a total capital financing requirement of £710.197m (now £628m) by the end of 2022/23. The general overall strategy was to mitigate the ‘cost of carry’ in the prevailing economic environment and ensuring that the timing of undertaking external borrowing is such to ensure long term interest rate benefits. As such, the Authority having largely fulfilled its historic and short/medium term CFR requirement in prior years at historic low levels , no new borrowing was undertaken in 2022/23

5. Compliance with Treasury Limits

- 5.1 During the year, the Council operated within the limits set out in the Council’s Treasury Management Strategy 2022/23 under the Prudential Code. The outturn for the prudential indicators are shown in Appendix J.

6. Actual Investments 2022/23

- 6.1 The Council manages its cashflow and core balance investments internally, having realised its cash balances held with its external cash fund managers previously. These balances were invested on the Money Market via brokers or directly with banks and building societies, other local authorities and the Debt Management Office (DMO) within the criteria previously approved. The balances held during the year were as follows:

Balance 1 April 2022	Balance 31 March 2023	Average Value 2022/23	Interest	Rate of Return	Benchmark SONIA
£'000	£'000	£'000	£'000	%	%
206,450	202,250	230,941	4,401	1.9	2.1

- 6.2 The interest achieved on internally managed investments was £4.401m or 1.9%. This return lagged the rising benchmark SONIA rate by 0.2%.
- 6.3 As a further measure to mitigate and control risk following the global financial crisis, the Authority determined to restrict investments to UK domiciled only banks and financial institutions in October 2008 resulting in an even smaller number of available counterparties to invest with. This policy was maintained in light of continued sovereign debt crises throughout Europe since.

7. Debt Repayment/Rescheduling

7.1 Market conditions are constantly monitored for opportunities to repay or reschedule debt in line with good Treasury Management practice. Appraising the current portfolio, no such opportunities arose in 2022/23 which would be economically beneficial to the Authority.

Prudential & Treasury Management Indicators 2022/23

Prudential Indicators	2021/22	2022/23	2022/23
	Actual	Budget	Actual
	£'000	£'000	£'000
Capital Expenditure			
GF	145,348	79,885	121,068
HRA	41,717	58,152	40,169
TOTAL	187,065	138,037	161,237
Ratio of financing costs to net revenue stream			
GF	6.01	7.66	6.41
HRA	15.14	15.07	15.00
Capital Financing Requirement			
GF	464,493	532,641	470,834
HRA	160,964	175,697	157,248
TOTAL	625,457	708,338	628,082

Treasury Management Indicators	2021/22	2022/23	2022/23
	Actual	Budget	Actual
	£'000	£'000 or %	£'000
Authorised limit for external debt	837,467	871,392	828,829
Operational boundary for external debt	777,467	811,392	768,829
Upper limit for fixed interest rate exposure	84.12%/518,667	100%/£871,392	100%/£828,829
Upper limit for variable interest rate exposure	15.88%/98,000	40%/£348,556	40%/£98,000
Upper limit for total principal sums invested for over 364 days	0	40,000	0

Maturity Structure of Fixed Rate Borrowing in 2022/23			
	Upper Limit %	Lower Limit %	Actual %
Under 12 months	60	0	0.8
12 months and within 24 months	60	0	0.5
24 months and within 5 years	60	0	0.1
5 years and within 10 years	90	0	9.6
10 years and above	95	15	89

The Treasury Management Prudential Indicators identified above as:

- Upper limit for fixed interest rate exposure
- Upper limit for variable interest rate exposure
- Upper limit for total principal sums invested for over 364 days
- Maturity Structure of fixed rate borrowing in 2022/23

are shown as at balance sheet date 31st March 2023, however it can be reported that none of the above limits were breached during 2022/23.

Investments as at 31/03/23

Counterparty

	£
Ashford Borough Council	5,000,000
Cornwall Council	5,000,000
Debt Management Office	28,000,000
Derby City Council	5,000,000
Derbyshire County Council	10,000,000
Dorset Police and Crime Commissioner	3,000,000
Flintshire Council	4,000,000
Kent Police and Crime Commissioner	5,000,000
Leeds City Council	15,000,000
Lloyds Bank	30,000,000
London Borough of Barking and Dagenham	15,000,000
Luton Borough Council	5,000,000
Sandwell Metropolitan Borough	5,000,000
Santander Bank	6,750,000
SMBC Bank International Plc	9,000,000
Southampton City Council	5,000,000
Standard Chartered Bank (Sustainable Deposit)	20,000,000
Surrey County Council	5,000,000

Torfaen County Borough Council	5,000,000
Uttlesford District Council	1,500,000
Wakefield Metropolitan District Council	5,000,000
Wirral Borough Council	5,000,000
Wokingham Borough Council	5,000,000
	202,250,000

Agenda Item 15.



Report of the Section 151 Officer

Council - 6 March 2024

Capital Strategy 2023/24 – 2028/29

Purpose:	To approve the Capital Strategy which informs and shapes the six year capital programme.
Policy Framework:	CIPFA Prudential Code 2021
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that: 1) The Capital Strategy 2023/24- 2028/29 is approved
Report Author:	Jeff Dong
Finance Officer:	Ben Smith
Legal Officer:	Deb Smith
Access to Services Officer:	Rhian Millar

1 Introduction

- 1.1 Following the publication of the Revised CIPFA Prudential Code in Dec 2017, it is now a requirement for Authorities to produce a Capital Strategy in addition to its suite of reports which are required by Regulation which outline and support the capital and revenue budgets
- 1.2 The Capital Strategy has been developed to ensure that the Council can take capital expenditure and investment decisions in line with Council priorities and properly take account of stewardship, value for money, prudence, risk, sustainability and affordability. The Strategy, therefore, sets out the longer term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and the impact on the achievement of priority outcomes. The Capital Strategy sets out the underlying principles in support of the capital programme presented to Council for approval on this same agenda. It seeks to ensure that each project is supportive of our corporate objectives, has clearly identified funding and has appropriate governance arrangements in place to support decision making and deliver the scheme.

- 1.3 The strategy covers capital expenditure, capital financing and asset management and is one of the key strategies alongside the more operational strategies for these and other areas including Treasury Management, Tax, Property Investment and service areas such as housing and other spending areas. It also gives an overview of how associated risk is managed and the implications for future financial sustainability. The Capital Strategy should support the delivery of the corporate objectives of the Authority and must complement and demonstrate clear links with the:
- The Corporate Plan
 - Swansea: Achieving Better Together, (Post Covid Recovery Plan)
 - The Revenue Budget Report
 - The Capital Budget & Programme Report
 - The Medium Term Financial Plan
 - The Treasury Management, Investment Strategy and MRP Policy Statement Report

and have due regard to :

- The Wellbeing of Future Generations Act 2015

Any addition to the capital programme must be considered in light of the limiting factor of the capital resources available (as direct funding or the revenue impact of servicing any borrowing required)

- 1.4 The Council's Corporate plan has the following pre-existing well-being priorities:
- **Safeguarding** people from harm - so that our citizens are free from harm and exploitation.
 - Improving **Education and Skills** - so that everyone in Swansea gains the skills and qualifications they need to succeed in life.
 - Transforming our **Economy and Infrastructure** - so that Swansea has a thriving mixed use City Centre and a local economy that will support the prosperity of our citizens.
 - **Tackling Poverty** - so that every person in Swansea can achieve their potential.
 - Delivering on **Nature Recovery and Climate Change** - so that we maintain and enhance nature and biodiversity in Swansea, reduce our carbon footprint and tackle climate change.
 - **Transformation and Future Council development** - so that we and the services that we provide are sustainable and fit for the future.

1.5 Post Covid

The Council has subsequently adopted the Swansea: Achieving Better Together, Transformation Strategy and Programme Framework (Recovery Plan) with which it can plan and deliver services and objectives in the next 5 years directly addressing how the City moves out of the pandemic. It is utilising this framework and its other planning tools that the Council employs to steer the City to recover from the aftermath of the effects of the Covid 19 global pandemic.

- 1.6 In formulating the detailed schemes within the programme of capital expenditure 2023/24- 2028/29 in the Capital Budget report , it can be demonstrated that all projects promote the objectives of at least one or more of the above corporate priorities in 1.4

and included in the capital programme is significant additional capital expenditure to support the economic recovery of the City following the Covid 19 pandemic.

- 1.7 In order to try and better plan the exact timing and relative prioritisation for future capital spend asks, officers have captured expected financial asks for Capital Projects which are at an advanced development stage. To date this has identified spend of circa £50M, some of which are already committed, and which are expected to score fully against the theoretical additional borrowing envelope of up to £50m as set out in the current medium term financial plan. It is deemed theoretical as it is subject to overall capital affordability, future interest rate movements and future revenue decisions to meet the ongoing permanent capital financing costs of servicing the borrowing (the mtfp merely temporarily funds from Capital Equalisation Reserve and defers the borrowing externalisation and ongoing revenue financing decision at present). Beyond these agreed projects there are also potential substantial investments that whilst only estimated at this stage, could lead to capital requirements in the hundreds of millions for not just Corporate Objectives but also to deliver business continuity or statutory compliance (these would include sustainable communities for learning and carbon zero obligations as one large scale example of each type) which are definitively not afforded or factored into the medium or indeed longer term financial plans at this stage .

2 The Capital Programme 2023/24 – 2028/29

- 2.1 The Capital Budget and Programme 2023/24 – 2028/29 for the General Fund and HRA is reported in detail in The Capital Budget & Programme & HRA Capital Programme Reports on this agenda.

3 Asset Management Planning

- 3.1 The programme includes capital expenditure on the following categories of spend:
- Operational – supporting core business and service delivery
 - Investment – to provide a financial return to the Council
 - Regeneration/ Community & Recovery:
 - enabling strategic place shaping and economic growth
 - to support specific local community and regional projects
 - investing in the City to aid recovery from the effects of the Covid 19 pandemic
- 3.2 Operational – Within the capital programme, is a comprehensive schedule of programmed routine repairs and maintenance both on the existing property and housing inventory and the significant portfolio of highways assets.
- 3.3 Investment – It is recognised that, over the long term property offers a sound total investment opportunity, (including yield in the form of contractually agreed rental/lease income and the potential for capital growth in the form of potential asset appreciating in value). The formation of the Property Investment Board has enabled the Authority to take advantage of investing in property with a view to making a financial return, based on robust business case analysis evaluating not only on financial returns but providing strategic control of key sites within the City boundaries.
- 3.4 Historically the PWLB has been the most economically advantageous form of capital financing for the Council. Following the HM Treasury consultation on the PWLB

borrowing process, strict guidance has been issued by HM Treasury which strictly **prohibits** the use of PWLB borrowing for investing in property/commercial assets 'purely for yield'. These changes clearly affect the viability of the Council buying investment assets. However alternative financing (grants, capital receipts and commercial financing) may still be used to fund these 'yielding investments' if the investment metrics still support the business case. It is envisaged that these restrictions in PWLB borrowing shall require continued very robust business case appraisal and risk management to ensure any such investment is in the best interests of the Council. Any such investments shall be subject to the governance process identified in 5.1

3.5 Public Works Loan Board (PWLB)

HM Treasury made a shock determination on the 9th October 2019 affecting all future borrowing from the Public Works Loan Board (PWLB) which would now be subject to an additional 1.00% 'premium' over and above existing margins above prevailing Gilt yields, primarily in response and to deter exponential growth in borrowing to fund speculative investment by a small number of local authorities in England. Strong representations were made via WLGA, and WG about the negative impact this change would have on capital programmes in progress throughout local authorities in Wales.

Following the strength of representations, HM Treasury launched a consultation process on the PWLB borrowing process. The results of the consultation and accompanying guidance was issued in November 2020 when the 1.00% premium was removed. The accompanying guidance outlines what constitutes eligible expenditure for PWLB borrowing:

The guidance clearly prohibits 'investing primarily for yield' which it defines as:

Investment assets bought primarily for yield would usually have one or more of the following characteristics:

- a. buying land or existing buildings to let out at market rate*
- b. buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification*
- c. buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly*

The guidance DOES allow borrowing for regenerative purposes, which it defines as:

Regeneration projects would usually have one or more of the following characteristics:

- a. the project is addressing an economic or social market failure by providing services, facilities, or other amenities that are of value to local people and would not otherwise be provided by the private sector*
- b. the local authority is making a significant investment in the asset beyond the purchase price: developing the assets to improve them and/or change their use, or otherwise making a significant financial investment*

c. the project involves or generates significant additional activity that would not otherwise happen without the local authority's intervention, creating jobs and/or social or economic value

d. while some parts of the project may generate rental income, these rents are recycled within the project or applied to related regeneration projects, rather than being applied to wider services

Preventative action would have all of the following characteristics:

- a. the intervention prevents a negative outcome, such as by buying and conserving assets of community value that would otherwise fall into disrepair, or providing support to maintain economic activity that would otherwise cease*
- b. there is no realistic prospect of support from a source other than the local authority*

The guidance is also clear that PWLB borrowing cannot be used to replace other Council funds which are then used to finance the 'primarily for yield' investment.

3.6 Regeneration/Community & Recovery

It can be seen from the "*The Capital Budget and Programme 2023/24 – 2027/28*", that the capital programme contains a comprehensive programme of major construction projects requiring material capital funding :

A significant portion of the current capital programme is comprised of a number of major regeneration and community construction programmes being undertaken by the Authority:

The updated total Capital programme which includes QED/Sustainable Communities for Learning Schools Programme and Swansea Central City Deal schemes highlights a 5 year forward expenditure programme plus 2023/24 of £431.532m identifying an unsupported borrowing requirement of £147.559m . The capital planning envelope for unsupported borrowing requires significant revenue funding to service the finance and this is set out in both the reports on the revenue budget and the medium term financial plan.

Phased, considered affordable borrowing, within the overall planning envelope has developed over recent years and, in the case of the funding, from the City Deal, across the next 10 years. Some Major schemes within the General Fund Capital Programme which are partially or fully financed by borrowing are as follows:

- Swansea Central Arena phased development
- Digital Village, 71-72 Kingsway offices
- Community hub development
- Castle Square Regeneration
- Palace Theatre development
- Swansea Vale new car park where borrowing will be financed by future rental income.

Although there is significant accompanying grant funding and City Deal funding for a number of these schemes, there is a substantial unsupported borrowing requirement to underwrite these schemes

3.7 Schools Programme and Financing 2023/24 – 2028/29

In July 2017 Cabinet endorsed the council's Band B of the 21st Century Schools Strategic Outline Programme and the proposed capital investment priorities. Since the initial approval there have been several other changes within the programme. The Welsh Government capital grant intervention rate was set at 50% for Band B, but Welsh Government announced on 21 November 2018, that the Band B intervention rate for capital projects would be increased to 65%, and for special schools and PRUs to 75%. The intervention rate for voluntary aided projects remained unchanged at 85%. In September 2023, Cabinet endorsed an uplift to the programme envelope to £176m, with a switch to wholly capital funding (instead of using the Mutual Investment Model for some of the projects).

Since 2017, the remaining Band A project – a new build for Gorseinon Primary School – has been completed. The completed Band B projects are new builds for the Pupil Referral Unit (Maes Derw), YGG Tan y Lan and YGG Tirdeunaw, and new blocks and refurbishment and remodelling for Ysgol Gyfun Gwyr and Bishopston Comprehensive School.

Band B ends on 31 March 2024 and councils are now required to submit a new Strategic Outline Programme (SOP) to the Welsh Government for a rolling programme by 31 March 2024.

The nine-year capital programme, extending to 2032/33 and including an indicative funding forecast for the nine years, is required to be submitted to the Welsh Government for consideration towards providing a commitment and support for the first three years along with in-principle support for years 4, 5 and 6. Years 7 to 9 will reflect the longer-term project pipeline. Band B projects not yet completed can be included at the beginning of the nine-year capital programme.

The new draft rolling programme is the subject of a separate report on the agenda which details the expected costs and funding. Following this report the Strategic Outline Programme must be submitted by 31st March 2024 for scrutiny by WG policy teams over a period of several months.

If approved, each of the investment priorities will be subject to detailed business case development and further WG approvals, together with separate reports to Cabinet for decision. Some of the priorities may require statutory consultation and catchment area reviews. These will be the subject of separate Cabinet reports

Swansea Central City Deal Programme and Financing

- The Swansea Central City Deal Phase 1 Arena scheme construction phase was approved at Cabinet on 21 November 2019 at a cost of £134.837m, subsequently increased for additional elements to £135.1m. The detailed outstanding financing for this scheme is shown in the capital programme report and spend will be funded from a combination of City Deal grant, capital receipts and unsupported borrowing.

Swansea Central City Deal Phase 2 Digital Village scheme construction has commenced on site. The current approved financing for this scheme at a total of £41.592m is shown in the capital programme report which is funded from a combination of City Deal grant, unsupported borrowing and contributions.

Notwithstanding this scale of ambition, each major scheme will, as is always the case, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate, and unsupported borrowing will be undertaken on a phased basis within the overall medium/long term envelope of affordability. The Council continues to face significant challenges delivering the Capital Programme during uncertain economic times with high inflation impacting on capital budgets.

3.8 HRA More Homes, Welsh Housing Quality Standards (WHQS), De- Carbonisation and Energy Efficiency

A programme of council house refurbishment and new council house building, utilising new borrowing powers to invest in new Council housing stock. The More Homes Strategy for providing new Council housing has been endorsed by Council.. Cabinet has approved a target of 1,000 new council homes from 2021-2031, and this 4 year programme will enable the acquisition and construction of around hundreds of new council homes. This will also include the acquisition of properties and land to develop for council and affordable housing. Delivery will be aided through partnerships which will increase capacity and pace in the programme. After having attained the Welsh Housing Quality Standard, the approved programme identifies the transition into WHQS Maintenance Phase, where the focus is on ensuring homes are safe and secure , in a good state of repair, adequately heated fuel efficient and well insulated and suit the requirements of the household. The Welsh Government will be introducing new standards that will require social landlords to further improve their housing stock in order to reduce occupancy borne carbon emissions and increase energy efficiency. The aim is to bring these into line with the Welsh Government's Decarbonisation agenda. Their Better Homes, Better Wales, Better World report sets out a number of recommendations and has an overall objective to reduce carbon emissions in social housing by 95%.and the current programme includes the introduction of solar panels and battery storage to planned schemes which will on average require material investment each year across the 4 years. This investment is affordable within the HRA business plan. This investment will contribute towards reducing carbon emissions and create a platform for future measures but will not deliver carbon zero properties

3.9 Covid 19 Pandemic Response

The robust asset management planning processes outlined above in 1.3, 1.4 and 3.1. could not have foreseen the speed and depth of impact of the global Covid 19 pandemic which took hold in March 2020. It is testament to the inherent robust, resilient professional, efficient asset management, corporate building services, legal support, procurement, finance and treasury management services operating within the Council which allowed it to design, allow planning consent , contract with partners, finance, insure and build and handover a 1,000 bed Covid 19 Field Hospital in 3 months, being fully operational in June 2020. The facility has subsequently been modified to support the national Covid 19 vaccination and booster programme. Included in the capital programme are various initiatives to support the City and its citizens recover from the effects of the pandemic.

4 Commercial Activity & Property Investment

- 4.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition
- 4.2 In the context of the Capital Strategy, the council can use capital to invest in property and or infrastructure assets to provide a positive surplus/financial return. The council may fund the purchase of the property/infrastructure by borrowing money, (although as identified in 3.4 above, this now **precludes** PWLB). The income generated should cover the cost of servicing and repaying the borrowed money each year. If an annual surplus is generated, this can be used to support the council's budget position, and enables the council to continue to provide services for local people. The business case process shall now need to be a more challenging/rigorous in light of the PWLB position in relation to investing purely for yield. Alternative sources of commercial funding usually carry a premium compared to usual prevailing PWLB interest rates, therefore this sets a higher bar for the commercial returns expected from investing into the asset and as such the business case and risk management process shall need to continue to be extremely robust before any such investment is made.
- 4.3 The reasons for buying and owning property investments are primarily:
- Strategic control of key City sites
 - Economic development and regeneration activity in the City (all investment property is within the City & County boundaries)
 - Market and economic opportunity.
- And only incidentally:
- Financial returns to fund services to residents
- 4.4 Historically, property has provided strong investment returns in terms of capital growth and generation of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant
- 4.5 The strategy makes it clear that the council will continue to consider investments on a commercial basis and to take advantage of opportunities as they present themselves, supported by our robust governance process. However the source of finance needs to be robust and the interest rates available need to be viable and support each business case. In light of this, it is expected that commercial property investment activity shall be reduced.
- 4.6 The Authority has well established gateway mechanisms to appraise and evaluate all such investment opportunities. There are numerous recent examples of local authorities in England where the lack of investment discipline and due diligence has had far reaching punitive financial consequences resulting in S114 notices for the Councils concerned .

5 Governance & Oversight

5.1 The Council has a well-established corporate governance framework with which to manage, monitor and quality assure the delivery of the capital programme:

- Cabinet
 - Approval of large schemes/programmes
- Capital Budget Monitoring Cycle
 - Quarterly monitoring of progress against budget/programme
- Contract Procedure Rules
 - Identifies most appropriate procurement route for project
- Financial Procedure Rules
 - Identifies appropriate scheme approval limits and budget virements/overspends thresholds
- Regeneration Programme Board
 - Monitors all regeneration programme schemes for progress against time, budget, quality
- Housing Futures Programme Board
 - Monitors all Housing schemes for progress against time, budget, quality
- Sustainable Communities for Learning Programme Board
 - Monitors all Sustainable Communities for Learning Programme schemes for progress against time, budget, quality
- Risk Register
 - Corporate framework for monitoring corporate risks (including major capital schemes)
- Grants & Capital Manual
 - Outlines the corporate capital & grant protocols, procedures and practices for compliance by practitioners within the organisation

6 Capital Financing Strategy

6.1 The Council's adopted capital financing strategy is to:

- maximise external private investment
- maximise external grant funding
- maximise capital receipt income
- finance self-funding income generative schemes
- minimise external borrowing
- minimise external funding costs

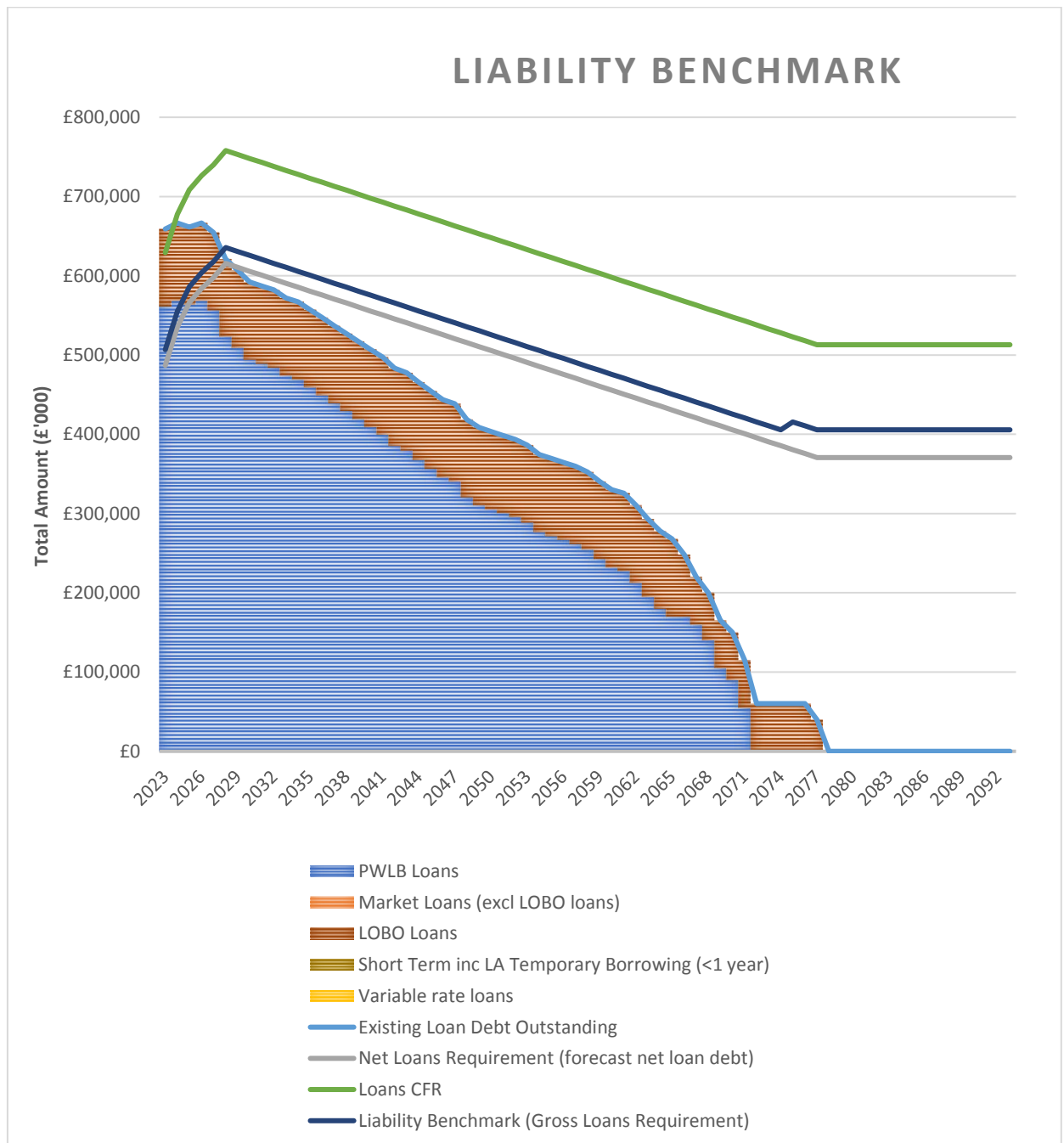
6.2 In the current difficult financial climate, capital allocations are constrained and the financing of prioritised schemes need to be carefully considered. In light of the continuing pressures on the revenue budget, unsupported borrowing is only to be utilised if there is a clear business case for expenditure and other sources of finance have been fully explored and ruled out. The corollary of austerity is that PWLB capital financing is still

at relatively(long term) low levels, following the removal in Nov 2020 of the PWLB 1% premium introduced in Oct 2019, however PWLB borrowing cannot now be used in 'purely for yield' property investments as outlined in 3.4. but may still be used for operational and regeneration capital schemes. It should be noted that the Treasury Management Strategy Statement already forecasts interest rate rises for the short/medium term which make the recent external PWLB funding drawn down particularly prescient.

- 6.3 The S151 Officer has undertaken an analysis of the sustainability and affordability of the capital plans approved to date and shall continue to provide clear advice on the affordability of any additions to the capital programme, however it needs to be recognised that capital resource and importantly the revenue resources available to support any borrowing are both limited and finite. The robustness of the capital financing strategy is paramount in light of recent experiences in local authorities in England where overstretched flawed capital programmes has resulted in the ultimate financial failure of the Council.

7 Treasury Management Strategy

- 7.1 The Capital Strategy and the Capital Programme is intrinsically linked to the Treasury Management Strategy employed to fund the programme. The capital programme determines the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. The Council approves its Treasury Management Strategy, Investment Strategy and Minimum Revenue Policy in a separate report on this agenda.
- 7.2 The Council is required to produce a liability benchmark informed by its underlying need to borrow, otherwise known as the Capital Financing Requirement (CFR), mapped against its actual levels of debt entered into. The attached is a projection of the benchmark as informed by the current capital programme. It can be seen that the benchmark enters into net repayment mode from 2026/27 as the current programme peaks, but in reality the ongoing capital programme shall be refreshed on an annual basis with new commitments and ongoing financing shall be required.



8 Revenue Impact of The Capital Programme

8.1 Unsupported borrowing has a direct impact on the revenue budget, with revenue required to support both interest and principal repayments. The associated capital financing costs of a project are thoroughly considered when appraising a potential capital investment. The revenue impacts are considered in light of affordability, prudence and sustainability whilst considering the long term impact and benefits of a considered capital programme. The revenue impact of the capital programme are outlined in the Medium Term Financial Plan, which is also presented on this agenda.

8.2 The S 151 officer has carefully considered the impact of the many variables and unknowns inherent in the funding of the presented capital programme (e.g. Brexit impact, volatility of markets, timing of City deal funding, variability of direct capital grant funding, impact of MRP review on equalising principal repayments in later years,

inflation, interest rate variation) and has sought to mitigate the impact of the funding of the capital programme on the revenue account with the establishment of the capital equalisation reserve. The utilisation of the reserve recognises the future obligations arising out of the committed capital programme whilst prudently mitigating that impact on the revenue account by adopting professional judgement in reserving appropriately at this time in the capital equalisation reserve.

9 Risk Appetite

9.1 Under CIPFA guidance, a local authority is required to outline its risk appetite in respect of its investment activities.

9.2 For the purpose of this statement, the Authority has referenced the Orange Book (UK government publication on the strategic management of risk within government) definition of Risk Appetite, namely:

“the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time.”

It is important to note that risk will always exist in some measure and cannot be removed in its entirety. Additionally, in order to realise investment and commercial gains, one has to take some measure of risk. Therefore, risks need to be considered both in terms of threats to the Council as well as positive opportunities. It is worth noting that the Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well, exist within the organisation or can be brought to bear from outside.

9.3 The risk appetite statement sets out how we balance risk and return in pursuit of achieving our objectives. It is intended to aid careful decision-making, such that the Council takes well thought through risks to aid successful delivery of its services and obligations, while also understanding the adverse aspects of risk undertaken and taking appropriate measures to mitigate these in line with its stated goals. Thereby, the Council’s risk judgements are more explicit, transparent and consistent over time.

9.4 The risk appetite statement shall form a key element of the Council’s governance and reporting framework. In addition, the risk appetite will be considered annually and monitored on an ongoing basis by senior management, advisors, Audit Committee and Scrutiny Panel as appropriate.

9.5 It is important to note that the risk appetite is a high level view on the key areas of risk and the qualitative quantum therein that the Council is willing to accept in pursuit of its objectives. In this, it is different to other key aspects of risk management, primarily:

- The risk universe – a detailed list of all the potential risks the Council is exposed to.
- Risk capacity – the maximum level of risk the Council can run given its reserves, revenues, and access to funding, liquidity, regulatory and legal constraints, and any other restrictions.
- Risk tolerance – the maximum amount and type of risk that the Council is willing to tolerate on a prudent assessment.

- 9.6 The risk appetite is also supported by the following:
- The Council's risk management framework
 - The governance structure and responsibilities
 - Risk reporting
 - Monitoring and escalation procedures

It should be noted that aspects of these will be bespoke to individual areas where risk is undertaken, e.g. managing the treasury portfolio, GDPR,

- 9.7 In general, the Council's risk appetite is expressed through its tolerance to risk in respect of capital preservation, meaningful liquidity and income certainty and volatility. The Council seeks to minimise its exposure to risks that are unwanted and unrewarded. Capital is managed centrally on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet costs and support front line services, as well as meeting long-term solvency and funding requirements. The benefits of this approach were apparent in the ability to fund the building of the 1,000 bed Covid 19 Field Hospital until such time, the Council could be reimbursed by WG.

- 9.8 The Council is exposed to a broad range of risks:

- **Financial risks** related to the investment of the Council's assets and cash flow, market volatility, currency etc.
- **Macroeconomic risks** related to the growth or decline of the local economy, interest rates, inflation and to a lesser degree, the wider national and global economy amongst others.
- **Credit and counterparty risks** related to investments, loans to institutions and individuals and counterparties in business transactions.
- **Operational risks** related to operational exposures within its organisation, its counterparties, partners and commercial interests
- **Strategic risks** related to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its goals.
- **Reputational risks** related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
- **Environmental and social risks** related to the environmental and social impact of the Council's strategy and interests.
- **Governance risks** related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks and balances that manage oversight and efficiency.

- 9.10 Managing the Council's risks is an area of significant focus for senior management and members, and the Council adopts an integrated view to the management and qualitative assessment of risk. The Council aims to minimise its exposure to unwanted risks – those

risks that are not actively sought and which carry no commensurate reward for the Council – through a range of mitigation strategies to the extent that it is cost-effective to do so. Specifically, the Council has no appetite for reputational risk, governance risk and currency risk.

For other risks, the Council’s appetite is as follows:

Risk	Appetite
Financial	<p>Moderate appetite for a range of asset classes, property and longer-term investments, subject to careful due diligence and an emphasis on security as well required liquidity profile.</p> <p>Lower appetite for capital growth oriented investments versus income generating investments.</p> <p>No appetite for currency risk, emerging markets and high volatility investments.</p>
Macroeconomic	<p>High appetite for exposure to local economic growth. Moderate appetite for exposure to national and global growth.</p> <p>Low appetite for interest rate risk, and inflation risk.</p> <p>No appetite for geopolitical risks and tail risk events.</p>
Credit & Counterparty	<p>High appetite for investment grade or secured credit risk, as well as exposure to highly rated counterparties and financial institutions with strong balance sheets.</p> <p>Lower appetite for unsecured non-investment grade debt. All subject to careful due diligence and an assessment of the transaction capacity, funding needs, broader goals and cashflow requirements.</p>
Operational	<p>Low appetite for BAU (Business as Usual) operational risks such as pricing errors, errors in administration, IT, cybersecurity</p>

	<p>etc. The Council maintains Risk Registers for key initiatives and significant investments to assess and mitigate specific risks on a more granular level. Business continuity plans have also been established to mitigate external occurrences.</p> <p>No appetite for fraud, regulatory breaches and exceeding risk tolerances.</p>
Strategic	High appetite for strategic initiatives, where there is a direct gain to the Council's revenues or the ability to deliver its statutory duties more effectively and efficiently.
Environmental & Social	<p>No appetite for environmentally negative risks.</p> <p>Very low appetite for social risks, especially in the local region and always subject to full due diligence.</p>

9.11 Risk management is not a stand-alone discipline. In order to maximize risk management benefits and opportunities, it is integrated with existing business processes.

10 Skills & Knowledge

10.1 It is important that the Authority has the appropriate staff with the right skills, knowledge and expertise with which to deliver the capital strategy and the programme.

10.2 The Director of Place has operational responsibility for the delivery of the capital programme and has management responsibility for:

- Building Services (including procurement of Education Capital Programme)
- Property Services
- Regeneration & Planning Services
- Highways and Transportation
- Housing

where the staff are appropriately qualified as engineers, quantity surveyors, town planners, housing professionals, electricians, carpenters, subject matter experts and building professionals. Where required, external professionals are engaged and the appropriate framework/procurement route is adopted.

10.3 The financial management and budget monitoring of the capital programme is the responsibility of the S 151 Officer/ Director of Finance who is a CCAB qualified accountant and is supported by professionally CCAB qualified finance staff and

technicians in providing the financial oversight and strategic financial advice for business case appraisal and ongoing monitoring of the capital programme.

- 10.4 The Head of Commercial Services is responsible for ensuring appropriate internal and external procurement and commissioning procedures are adhered to, ensuring that best value is achieved.
- 10.5 The Chief Legal Officer is responsible for ensuring legal compliance in the execution of contracts and completion of legal agreements in relation to the capital programme.

11 Legal Implications

- 11.1 The regulations requiring Authorities to have regard to The Prudential Code are issued under part 1 of The Capital Finance Act 2003. The code and subsequent guidance was revised in 2017, 2018 and 2021 respectively. The 2017 Code now requires the production of a Capital Strategy.

12 Financial Implications

- 12.1 The financial implications of this strategy are outlined in the Capital Programme, Medium Term Financial Plan, Revenue Budget and Treasury Management Strategy and Investment Strategy also on this agenda.

13 Integrated Assessment Implications

- 13.1 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 their own needs.
- 13.2 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'.
- 13.3 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.

- 13.4 An integrated impact assessment screening has been undertaken and it concludes that there are no equality impact implications arising from this report. All future programs and schemes covered within this report will be subject to their own Integrated Impact Assessment process.

Background Papers: None

Appendices: None

Agenda Item 16.



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

Council – 6 March 2024

Naming Proposal

Purpose:	To consider the naming proposal for the Coastal Park.
Policy Framework:	Delivering a Successful and Sustainable Swansea Corporate Plan 2024/28
Consultation:	Access to Services, Finance, Legal, CMT, CWG
Recommendation(s):	It is recommended that: 1) Council adopts the naming proposal as recommended by the Constitution Working Group.
Report Author:	Tracey McNulty
Finance Officer:	Paul Roach
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 Swansea Council's Naming Policy (the 'Policy') was adopted by Council on 25th January 2024. See appendix A.
- 1.2 This report outlines a proposal to formally name the new coastal park adjacent to Swansea Arena as the Amy Dillwyn Park, and to subsequently add a new slate naming plaque to the site.

2. The Coastal Park

- 2.1 The coastal park can be accessed via the bridge over Oystermouth Road or the spiral staircase that leads to the Arena from Oystermouth Road.

An access ramp has been developed to the coastal park from Paxton Street, with a lift also available from close to the spiral stairway on Oystermouth Road.

- 2.2 About the same size as a football pitch, the coastal park also includes water features and a selection of new trees.

3. Key Points

- 3.1 The nominee should, in most cases, be deceased; having made a significant contribution to public life.
- 3.2 Correspondence with the surviving family member has confirmed he is happy with the proposal and has requested only that some interpretation is available nearby, describing his Great Great Grandmother, which is entirely possible.
- 3.3 Any proposals to name spaces after individuals should be based on a significant contribution to public life and have a connection to Swansea clearly evidenced. Applicable historical records and available information have been summarised by the Archives service within S.4 of this report.
- 3.4 The proposal was put forward by Councillors and ratified by CMT after which the Head of Cultural Services was asked to lead on securing a plaque and announcement to be followed by an event.
- 3.5 The Head of Cultural Services has consulted with fellow Heads in Place responsible for all aspects of managing the site and all confirmed they were content with the proposal.
- 3.6 The Park is a public open space with two key stakeholders being the Ambassador Theatre Group who manage the Arena, and the Secret Hospitality Group who lease the Green Room café bar. Both stakeholders have been contacted and we await their comments.
- 3.7 The Constitutional Working Group (CWG) received a report regarding this proposal on 22nd February 2024. CWG members discussed and deliberated the proposal based on the information received, and in line with the Naming Policy (Appendix A). It was agreed that a report be submitted to Council recommending the formal adoption of the name as outlined above.
- 3.8 The proposal is in line with a review of monuments, collections and place names in considering 'overlooked' notable persons, as part of the Council's commitment to greater representation of individuals with protected characteristics following its Black Lives Matter Motion in 2020.

4. Amy Dillwyn

- 4.1 Amy Dillwyn (1845-1935) was by the time of her death a much-loved icon of Swansea life, famous for her unconventional outward manner, rock-solid Liberalism and her unflinching but always non-violent feminism.
- 4.2 On the death of her father, Amy Dillwyn found she had inherited responsibility for her father's factory at Llansamlet which was deeply in a debt which had been concealed by a dishonest solicitor, and that as a result hundreds of her workers faced the spectre of unemployment. She scorned the cowardly option of selling up and decided to run the works herself with the aid of an experienced manager named John Corfield. She gave up the considerable comfort of a mansion with servants for a life of real austerity and set out to prove that a woman could successfully function in what was essentially a man's world of competitive industry. She personally managed the business, and by 1899 had fully repaid her father's debts. In 1902, she turned her business into a registered company.
- 4.3 From the 1870s to the early 1890s, Dillwyn, wrote 6 novels. Her themes included feminism and social reform. She joined the National Union of Women's Suffrage Societies, and campaigned for votes for women.
- 4.4 Amy Dillwyn was also forward-thinking in her personal life. She referred to her lifelong partner Olive Talbot as her wife. She was nicknamed 'The Pioneer' by friends and in this, as in all the above-mentioned activity, she was decades ahead of her time.
- 4.5 She died in Swansea on 13 December 1935, at the age of ninety, was cremated and her ashes buried in the churchyard of St Paul's Church, Sketty.
- 4.6 In 2018, Dillwyn was chosen as one of the top 100 Welsh Women by Women's Equality Network Wales, in their project to mark the centenary of women's suffrage.

5. Integrated Assessment Implications

- 5.1 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.
- 5.2 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’.
- 5.3 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.
- 5.4 Positive impacts have been identified and no mitigation is required. Clear communications and signage will be required, and information provided to the public and other Council departments on the name and location / coordinates etc. The screening is undertaken by the Head of Cultural Services, in that it is the service’s role in collating historic material and records on notable individuals that has informed this nomination. The Cabinet Member is identified as being the portfolio holder for parks and regeneration initiatives, ‘Investment, Regeneration, Events & Tourism’.

6. Legal Implications

- 6.1 There are no specific legal implications arising out of this report.

7. Financial Implications

- 7.1 Costs at this stage are anticipated to be in the region of £1,000 for supply of a name plate and up to the same for installation and interpretation on site and online. A quote for the name plate, to be produced in material sympathetic to the environment in which it is placed, e.g. slate / concrete which is anticipated to cost no more than £3,000 which will be allocated from the budget for Blue Plaques, Monuments and other heritage features in Cultural Services.

Background papers: None

Appendices:

- Appendix A – Naming Policy
 Appendix B – IIA Screening Form

Naming Policy

Policy on the naming of buildings, facilities, and identifiable internal or external spaces

Contact details:

Swansea Council
Civic Centre
Oystermouth Road
Swansea
SA1 3SN

Phone: 01792 636000

Email: contact@swansea.gov.uk

To request this information in an alternative format or language please phone 01792 636000 or email contact@swansea.gov.uk

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1. Purpose

- 1.1** The purpose of this policy is to define the process through which Swansea Council's buildings, facilities, and identifiable internal or external spaces are named, and the criteria against which any name should be considered to enable the council to make clear, consistent and prudent decisions.
- 1.2** This policy seeks to preserve maximum flexibility in the naming process so that naming opportunities can be dealt with on a case-by-case basis.
- 1.3** A naming opportunity can be an occasion for engaging with staff, citizens, and communities to enhance the relationship the council has with the city and the contribution we make to the diversity of Swansea.
- 1.4** The naming of council owned and/or operated spaces serves a number of purposes, including:
 - to honour individuals for outstanding achievement and contribution.
 - to reflect and celebrate the history and heritage of Swansea.

2. Scope

- 2.1** This policy applies to all buildings, facilities, and identifiable internal or external spaces owned and/or operated by Swansea Council that may be named. This policy does not relate to the naming of any roads, pedestrian and cycle routes or streets / cul-de-sacs within the council land ownership. These are covered by a separate policy.
- 2.2** Areas referred to may include buildings, rooms, or other identifiable spaces (indoor and outdoor). Collectively, these will be referred to throughout this policy as 'spaces'.
- 2.3** Some limitations around the type of buildings / services that should be excluded from this policy should exist on a variable basis, taking account of specific situations as they arise, including sensitive and complex service needs.
- 2.4** The scope of this policy does not extend to residential properties, care homes, children's residential homes or equivalent accommodation operated and/or owned by Swansea Council. In line with Swansea Council's coproduction policy, the names of these types of buildings will be coproduced with the residents / users of that provision.
- 2.5** This policy applies to staff and members involved in establishing the names of identifiable spaces owned and/or operated by Swansea Council.

- 2.6** Naming (or changing the name) of a council owned and/or operated space requires careful consideration in accordance with this policy and should not be based on a strong sentiment, either by an individual or a group, that may diminish over time.
- 2.7** Naming proposals may extend to acknowledgments of significant events.
- 2.8** Research and work carried out under this policy should be documented within the repository that exists under the Blue Plaque scheme, adding to that central bank of information.
- 2.9** The naming of a space is something that should be considered thoroughly, with care and after appropriate due diligence, taking account of:
- the cost of new signage.
 - the cost of updating maps, brochures, websites and other literature.
 - the potential confusion arising from the need to re-orientate staff and visitors.
 - the relatively small number of opportunities for naming.
 - the effects of any naming on the council's reputation, both positively and negatively.
 - the difficulty of re-naming areas within building systems (such as maintenance systems, wiring labelling, maintenance records, compliance certificates, records of statutory bodies and electronic systems beyond the control of the council).
 - Support and facilitate the use of the Welsh language where applicable.

3. Principles

- 3.1** Names must have clarity and simplicity, aiding orientation and movement around the council estate.
- 3.2** Names should be distinctive, and names used for existing council-owned spaces should not be re-used.
- 3.3** Nominated names should enhance the council's brand, ensuring that names are compatible with the aims, values and objectives of Swansea Council.
- 3.4** Spaces should not normally be named after companies, charities, or trusts.

- 3.5** The nominee should normally have been deceased for at least five (5) years, but in exceptional circumstances the person may be recognised whilst still living.
- 3.6** Any proposals to name spaces after individuals should be based on a significant contribution to public life and have a connection to Swansea clearly evidenced.
- 3.7** The names of staff or members of Swansea Council should only be used exceptionally where individuals are associated with major change within the council or an achievement of the highest excellence. Such cases would be expected to feature prominently as part of the historical record of the council.
- 3.8** The proposal should demonstrate external and/or internal support outside of the immediate proposer.
- 3.9** Where a building is named after a person, consideration should be given to:
 - addressing any imbalance in the representation of the diversity of the council and the City and County of Swansea.
 - whether a person's name, although strongly associated and significant to Swansea, may be less significant at a future date.
 - future circumstances under which the name could become less appropriate or beneficial.

4. Process

- 4.1** The process will start with a suggestion for a name that may originate from a department, members of the public, Members, officers etc and any proposal made should outline the reasons/rationale set out in writing on the template proposal form¹.
- 4.2** Before progressing further, a sponsor (Head of Service and/or Political Group Leader) will need to agree to take the proposal forward.
- 4.3** The space to be named and the proposed name should be clearly identified.

¹ The template proposal form may be subject to amendments as process/circumstance dictates. The form will be available to download from the council website, and paper copies will be made available in the central library.

- 4.4** If the proposal is to use a deceased individual's name, the proposer should provide details of any living relatives with whom the proposal should be discussed, if possible.
- 4.5** The proposer/sponsor should also consider and report on any significant controversy surrounding the name, which might disadvantage the council, and also on any positive benefits which naming the space might confer.
- 4.6** The proposer/sponsor shall be responsible for consulting with the departments using the space or building, the associated Head of Service (including the Head of Property Services and / or relevant asset manager) and the Corporate Management Team (CMT).
- 4.7** Council nominated historians and archivists will advise CMT, so that CMT may comment upon the proposal.
- 4.8** Having consulted with the Corporate Management Team (CMT) for advice / endorsement, a report should be presented to the Constitution Working Group for consideration.
- 4.9** Responsibility for individual reports (and accompanying IIA) will be decided by CMT on a case-by-case basis. There may at times be joint elements of reporting between technical leads and asset managers.
- 4.10** If supported by the Constitution Working Group, a report will be submitted to Council for final decision making.
- 4.11** The stages of the decision-making process are therefore:
- a) Submission of proposal form to CMT, by the sponsor.
 - b) Report to the Constitution Working Group, for support and a recommendation to Council.
 - c) Report to Council for final naming decision.
- 4.12** If a recommendation is not agreed at CWG, the proposal will fail and will not progress to Council. The desire would be to achieve cross party support for any proposals but can be passed on a majority vote if unanimity cannot be achieved.
- 4.13** There is no right of appeal for a proposer in the event that a sponsor cannot be identified to support the proposal or in the event that CWG decide not to support the proposal.

5. Re-naming

- 5.1 There may be circumstances where there is a case to be made or an opportunity arises to re-name a space.
- 5.2 Re-naming should be an exceptional event, having regard to any significant changes in societal or cultural awareness.
- 5.3 When a name is altered, or removed, the council should ensure that the removal does not have the effect of erasing history or altering any associated historical records.

6. Review and Monitoring

- 6.1 There may be circumstances where it could be in the best interests of the council to consider revoking or modifying naming rights previously conferred.
- 6.2 Swansea Council reserves the right to remove or change the names of spaces if the rationale is clear. This could be due to departmental moves, or if a name became undesirable. A decision about the desirability of a name would not be taken lightly, and the grounds for removing or changing it would need to be substantial.
- 6.3 Swansea Council reserves the right to review and amend the names of any space which it has approved if information subsequently comes to light which means that the use of the name could bring the council into disrepute.
- 6.4 This policy will be reviewed periodically.

END

Document Control

Version Number	Details of Change	Date

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Cultural Services

Directorate: Place

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other

(b) Please name and fully describe initiative here:

Application of the new Naming Policy to request Council approval for naming the Coastal Park after Amy Dillwyn. Any proposals to name spaces after individuals should be based on a significant contribution to public life and have a connection to Swansea clearly evidenced. Correspondence with the surviving family member has confirmed he is happy with the proposal and has requested only that some interpretation is available nearby, describing his Great Great Grandmother which is entirely possible. The proposal was put forward by Councillors and ratified by CMT after which the Head of Cultural Services was asked to lead on securing a plaque and announcement to be followed by an event. The proposal is in line with a review of monuments, collections and place names in considering 'overlooked' notable persons, as part of the Council's commitment to greater representation of individuals with protected characteristics following its Black Lives Matter Motion in 2020.

In 2018, Amy Dillwyn was chosen as one of the top 100 Welsh Women by Women's Equality Network Wales, in their project to mark the centenary of women's suffrage.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further Investigation	No Impact
	+	-	+	-	+	-		
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Human Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?

Please provide details below – either of your activities or your reasons for not undertaking involvement

Correspondence with the surviving family member has confirmed he is happy with the proposal and has requested only that some interpretation is available nearby, describing his Great Great Grandmother which is entirely possible. The background to the naming policy is the work undertaken by Cultural Services following the Council’s adoption of the Black Lives Matter Motion in 2020. A list of ‘overlooked’ notable characters was compiled for consideration in applying names/ titles or other classifications to rooms, buildings, highways, open space etc. Recently a new ‘Naming Policy’ has been created which sets out a process for nomination. This Screening relates to the nomination of Amy Dillwyn as the individual for whom the new park at Copr Bay should be named. The nomination is from Cabinet Members named on the attached and follows the agreed process subject to ratification by CWG and Council.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
 Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
 Yes No
- c) Does the initiative apply each of the five ways of working?
 Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
 Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below

Likely need to include the name on future maps/street guides/ website

Q7 Will this initiative result in any changes needed to the external or internal website?

Yes

No

If yes, please provide details below

Likely name change needed online from Coastal Park to Amy Dillwyn Park

Q8 Does the initiative involve changes to the way you process the personal data of Council staff or service users, for example the purchase of new customer management software?

Yes

No

If your answer is yes, you should also screen the initiative for any implications regarding privacy and other GDPR rights and consider whether you need to amend your entry in the Council's Information Asset Register. Please use the following link to the online screening form for a Data Protection Impact Assessment <https://staffnet.swansea.gov.uk/dpiascreeing>
For more about the Information Asset Register, please see <https://staffnet.swansea.gov.uk/informationassetregister>

Q9 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

This is raising the profile of a high-profile local female, and such woman are deserving of and generally underrepresented in being celebrated.

Outcome of Screening

Q9 Please describe the outcome of your screening using the headings below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q9)**

Positive impacts have been identified and no mitigation is required. Clear communications and signage will be required, and information provided to the public and other Council departments on the name and location / coordinates etc. The screening is undertaken by the Head of Cultural Services, in that it is the service's role in collating historic material and records on notable individuals that has informed this nomination. The Cabinet Member is identified as being the portfolio holder for parks and regeneration initiatives, 'Investment, Regeneration, Events & Tourism'.

(NB: This summary paragraph should be used in the ‘**Integrated Assessment Implications**’ section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Tracey McNulty
Job title: Head of Cultural Services
Date: 20/02/24
Approval by Head of Service:
Name: N/A
Position:
Date:

Please return the completed form to accesstoservices@swansea.gov.uk



Council – 6 March 2024

Councillors' Questions

Part A – Supplementaries

1	<p>Councillors Peter May, Allan Jeffrey, Sandra Joy & Stuart Rice</p> <p>Please can the Cabinet Member detail what the £8.315m in the Capital Budget proposals under Skyline is being spent on.</p> <p>Response of the Cabinet Member for Investment, Regeneration & Tourism</p> <p>The allocated capital budget has been made available to enable the inward investment project and no council funding has been directly awarded to Skyline Enterprises to date. Cabinet has approved future funding in principle, subject to certain conditions that would need to met before any money is paid out. The likely funding package is a mix of grant and loan and is proposed jointly funded by Welsh Government and the Council, with the council as host funding sponsor so will reflect gross costs and grant potentially received. The specific detail is of course commercially sensitive but the broad quantum of up-front public funding support is fully disclosed for transparency. When the scheme is completed the proposed investment/loan element by the council would be repaid in full as part of an agreement with Skyline.</p> <p>A notional £430,000 was allocated as a budget to assist the council with fees associated with land assembly and site investigation works in 2022-2023. About £85,000 of that allocation was spent.</p> <p>If the Skyline project proceeds it would significantly boost Swansea's economy because of the visitor numbers it would attract and the jobs it would create for local people. A study carried out by the company found that the scheme would be worth £84m to the city, 478 jobs during its construction phase and 100 permanent jobs during its first year of operation.</p>
2	<p>Councillors Mike Lewis, Wendy Lewis, Lesley Walton, Mike White & Fiona Gordon</p> <p>Will the Cabinet Member give an update on the delivery of the Mumbles sea defence works.</p> <p>Response of the Cabinet Member for Environment & Infrastructure</p> <p>The promenade is undergoing a remarkable transformation with the new coastal defence measures that are nearing completion. The contractor has successfully finished the sheet piling works along the beach using low impact machinery to ensure minimal noise and disturbance to the community. They are now working on the concrete walls and sloped revetments that will protect the foreshore from erosion and flooding.</p>

The walls are not only functional but also feature the innovative SeaHive design by Swansea University that supports biodiversity and creates a stunning hexagonal pattern on the beach (<https://www.swansea.ac.uk/bioscience/seacams-2/mumbles-sea-hive-project/>). Many of these are now in place and the team continue to work with local schools to highlight the ecological and environmental benefits of the scheme. The team has also developed a unique community engagement programme called 'Sea Through Time', which connects with seven local schools and includes topics such as coastal heritage, coastal environment, and its impact, as well as the engineering challenges of the scheme. (<https://www.mumblescps.co.uk/sea-through-time>).

The project has also created opportunities for local apprentices to gain valuable skills and experience in both labour and technical roles, as well as supporting the University through work placements. The aim is to support the local skills challenges and the project team are also working with the regional supply chains to help the promote the local economy.

It has received positive feedback from Julie James MS and Rebecca Evans MS, who visited the site recently and praised the design approach and the sensitive manner in which the highly complex scheme has been delivered so far. Work on the 1.2km scheme continues to be phased to ensure that local businesses and users such as the yacht club can continue to operate throughout the period of construction. Temporary diversion routes and measures have been put in place to ensure that visitors to the promenade and operators are not adversely affected. The team has also collaborated with a local artist to enhance the character and charm of the area with some artistic elements and additional planting and play opportunities. Some of the works along the promenade have been completed, including the rebuilding of limestone walls using the original material. This work has improved the promenade by widening it at historical pinch points and adding seating and planting features to the infrastructure.

The project is on track to be completed by the start of 2025 and we are grateful for the continued support and patience of the community. It will deliver a resilient and attractive promenade that will benefit the area for years to come.

3 Councillors Peter May, Allan Jeffrey, Sandra Joy & Stuart Rice

Please can the Cabinet Member provide an explanation for the difference in timings in projected spend in the Education Capital Programme between the Capital Budget proposals from last year and this year.

Response of the Cabinet Member for Education & Learning

Capital projects for schools are established on estimated costs and delivery programmes.

Although officers strive to work within projected budgets and timelines there are often unforeseen circumstances that can change project conditions, including:

- Cost of availability of resources, including international circumstances such as wars, Brexit etc.
- Site conditions, such as issues that become apparent after ground and building investigations, particularly regarding drainage.

	<ul style="list-style-type: none"> • Additional planning requirements. • Availability of staffing in various service areas, particularly in areas with recruitment issues. • The ability to successfully tender contracts. <p>For the Council's Strategic Outline Programme (SOP) for schools, the approval in principle of the SOP does not commit the council to any funding contributions until the final approval of funding and business cases in respect of each specific scheme, and specific approvals in accordance with Financial Procedure Rules. There is overall flexibility in the programme and any projects not completed in Band B will roll forward into the new SOP that will be submitted to the Welsh Government by 31 March 2024.</p>
4	<p>Councillors Francesca O'Brien, Richard Lewis & Brigitte Rowlands</p> <p>Will this Council be responding to the Welsh Governments Sustainable Farming Scheme Consultation.</p> <p>Response of the Cabinet Member for Environment & Infrastructure</p> <p>A consultation response is being prepared by the Council which will consider the implications of the scheme for the designated landscape of the AONB, the rural economy, planning policy, public rights of way, and nature recovery. However consideration will also be given to the implications of the proposed scheme on farmers, and their businesses within our communities so as to ensure they remain viable and any new scheme does not adversely affect overall food production.</p>
5	<p>Councillor Wendy Lewis, Lesley Walton, Mike White, Fiona Gordon and Mike Lewis</p> <p>Will the Cabinet Member for Education give an update on delivery of the new special school.</p> <p>Response of the Cabinet Member for Education & Learning</p> <p>On 18 January 2024, Cabinet resolved that:</p> <ol style="list-style-type: none"> 1. A statutory notice be published on the proposal to amalgamate Ysgol Pen-y-Bryn and Ysgol Crug Glas into one Special school in September 2025 on existing sites and relocate to a new purpose-built school whilst increasing capacity from April 2028 be approved. 2. Any objections received during the statutory notice period be considered by Cabinet and the outcome of the proposal be determined at the Cabinet meeting on 18 April 2024. <p>Welsh Government has already approved a Strategic Outline Business Case for the project and the detailed scoping of the project is progressing, with the schedules of accommodation having been signed off by both schools in December 2023. Other stakeholders have been engaged including Social Services with regard to the requirements and operational plans for the residential accommodation, and health professionals to inform the accommodation requirements for the health facilities in the new school build. Pupil and staff surveys were undertaken in January 2024, to support the more detailed scoping and design development, and the technical team is being established.</p>

	<p>Subject to Cabinet determining in April that the statutory proposal is approved, it is expected that we will be submitting the next stage business case to Welsh Government in the autumn and at the same time seeking Cabinet approval to award the first stage contract to the successful contractor to work with the us to develop the project to final detailed design. Subject to Planning approvals having been obtained, the final business case will be submitted to Welsh Government and Cabinet approval sought to award the second stage construction contract in 2026, with a construction start early in 2027.</p> <p>This project forms part of the Council’s wider vision for the future of the school estate which will see significant investment and to ensure all learners in Swansea have access to learning environments fit for the 21st Century. These will include investment in both primary and secondary schools, and will represent investment in Welsh-medium and English-medium schools. A key feature of this strategy will be the redevelopment of the former Daniel James site, involving the demolition of the former school buildings and the site’s redevelopment as a modern campus accommodating a secondary school and a vocational learning centre focusing on skills that the next generation of Swansea’s learners will need.</p>
6	<p>Councillors Peter Black, Mary Jones & Susan Jones</p> <p>Does the Disability Consultative Forum still exist and if so, how many times has it met in this Council term and what were the topics of discussion.</p> <p>Response of the Cabinet Members for Culture, Human Rights & Equalities and Community (Support)</p> <p>The Disability Liaison Group still exists and continues to be supported by council officers.</p> <p>The group has met 6 times in 2023 and the focus of the work has been around information gathering sessions with partners and community members to understand the purpose and aim of the group as it moves forward.</p> <p>As a result of this the group is going to be rebranded as “Disability Networking Group” with a focus on ensuring people are connected to each other, partner organisations and services.</p> <p>This rebrand will see a new section on the council’s website created with as specific email address so people can sign up to a newsletter which will help to promote the network and recruiting organisations and individuals who wish to be involved.</p> <p>All this work has been co-produced with community members and this will be a continued focus as we move forward.</p>
7	<p>Councillors Francesca O’Brien, Angela O’Connor & Will Thomas</p> <p>Can the Council provide any update as to any conversations they have had with either the RNLI or the owners of the Pier, so that positive progress can be made.</p> <p>Response of the Cabinet Member for Investment, Regeneration & Tourism</p> <p>Regular meetings have taken place with RNLI and the owners of Mumbles Pier to explore eligible grant funding opportunities to facilitate progress.</p>

8	<p>Councillors Lesley Walton, Mike White, Fiona Gordon, Mike Lewis & Wendy Lewis</p> <p>Will the Leader or Cabinet Member update council on the prospects of the Ospreys returning to St Helens given recent public statements by the club suggesting they are planning to move from the Swansea.com Stadium.</p> <p>Response of the Leader</p> <p>Discussions are ongoing with all the main stakeholders in relation to St Helens to establish if a viable, sustainable project is possible. A report is due to come to Cabinet in the near future to enable a decision to be made.</p>
9	<p>Councillors Peter May, Allan Jeffrey, Sandra Joy & Stuart Rice</p> <p>This question is about the proposal for and Active Travel proposal for Gower Road, Sketty Road, Uplands Crescent and Walter Road incorporating a two way cycle lane.</p> <ol style="list-style-type: none"> a. Will the Cabinet Member be abandoning the grant application to the Welsh Government? b. If not will he give an assurance that affected ward members will have sight of the consultation report prior to the application progressing to the Welsh Government. c. Also if not, can he give a deadline date for when the application is to be submitted. d. Can he also give an assurance that if the project does proceed that the construction will not result in drainage problems encountered whenever the council install a build out bus stop or other island (various examples can be quoted), or a speed plateau such as the one on St Helen's Road. e. Can he also give an assurance that any planting incorporated will actually be maintained and prevented from encroachment onto the footway or carriageway. <p>Response of the Cabinet Member for Environment & Infrastructure</p> <ol style="list-style-type: none"> a. This is a key strategic highway corridor for all modes of highway users and hence the development of the route will not be abandoned. An active travel route along Walter Road, Uplands Crescent, Sketty Road and Gower Road has been shown on the Council's Active Travel Network Map since it's first draft and continued to be shown on latest review and subsequently signed off by Welsh Ministers. b. Feedback from the online surveys, emails and face to face events are still being reviewed and will be captured in a Consultation Report. This report will be issued electronically to Castle, Uplands and Sketty councillors once complete. c. A grant bid has been submitted for the 1st phase of work along Walter Road. d. The construction works would seek to improve surface water drainage along the corridor where possible / practical. This is a particular challenge along legacy streets such as these with ancient Victorian sewer systems having limited capacity and often at very deep depths requiring extensive working areas to gain access for new connections etc. This is the concept of the proposed rain gardens which can facilitate temporary storage of surface water before then gradually discharging once sewer levels have receded. Surface water on such legacy roads will continue to be an issue

	<p>with the intense rainfall we now appear to be subjected to more regularly unless works are undertaken which this project enables with the changes proposed.</p> <p>e. The landscaping / rain gardens will be designed to be planted with shrubs selected to be as low maintenance as possible.</p>
10	<p>Councillors Mike White, Fiona Gordon, Sam Prichard, & Mike Lewis</p> <p>Can the Cabinet Member update council on how retailers in Swansea have fared over the Christmas period and how does this compare to other areas of the UK.</p> <p>Response of the Cabinet Member for Investment, Regeneration & Tourism</p> <p>Swansea's Quadrant Shopping Centre experienced its most successful trading period since 2019, following a bumper December.</p> <p>Retailer sales across the month increased by 17% year-on-year, while the average uplift across the rest of the UK reached just +1.7%.</p> <p>A similar story is reflected in December's footfall figures. Retail destinations across the UK saw footfall decrease by 5%, while Cardiff experienced a larger decrease of 8.7% in shoppers. Meanwhile, Swansea's Quadrant experienced a marginal decrease of just 1.1% in shoppers across the key retailing period.</p> <p>Further, according to the leaderboard below, Travel insurance company InsureandGo ranked Swansea the top spot in the UK as the country's most up-and-coming destination to visit a Christmas market with an 84% increase in on-line searches up from last year.</p> <p><i>The UK's most popular Christmas Markets in 2023</i></p> <p>Swansea York London Bath Nottingham Belfast Newcastle Upon Tyne Sheffield Liverpool Glasgow</p> <p>Swansea was also ranked by InsureandGo among the top 20 destinations in the world when it came to popularity surrounding <u>Christmas</u> markets behind the likes of Seattle, Belgrade, Antwerp, Tokyo and Athens.</p>
11	<p>Councillors Francesca O'Brien & Brigitte Rowlands</p> <p>Can the Leader provide an update in relation to the hydrogen ferry which he proposed in 2022.</p> <p>Response of the Leader</p> <p>Discussions have taken place with Devon who are due to establish a sub group to begin exploring infrastructure requirements. Further updates on progress can be provided in the months ahead.</p>

12	<p>Councillors Fiona Gordon, Sam Prichard, Jess Prichard, Lesley Walton & Mike Lewis</p> <p>Will the Cabinet Member confirm if the recent police operation in the city centre has reduced crime and anti-social behaviour and if so by how much.</p> <p>Response of the Cabinet Member for Well-being</p> <p>South Wales Police (SWP) Operation Viscaria is a policing operation to ensure public safety and deliver an effective and proportionate policing response to incidents of Anti-social behaviour and crime. It began on the 20 November 2023 for a 3-month trial period, and the Council has linked in with SWP to provide an update below.</p> <p>Whilst there has been an increase by 4.2% for all crime types for the same period last year, this is directly linked to the fact that there has been significantly more reporting due to increased police visibility and public confidence in the action being taken under Operation Viscaria.</p> <p>Violence in the City Centre is the real positive as it has decreased by 27.7% for the same period last year.</p> <p>For Anti-social behaviour we have seen a decrease for the City area (this includes Uplands and outer areas) of 12% for the same period last year, early in January this was down by as much as 25% but this is data being collated on a daily basis so potential for % to change during the period.</p> <p>Feedback from BID and its members is also positive with a noticeable difference in the confidence levels and police engagement which bodes well for the future.</p> <p>A full evaluation at the end of the trial using both quantitative and qualitative data including public perception, results, demand reduction and partner feedback and this will be considered through the Safer Swansea Community Safety Partnership to understand what has worked well and how this approach can be continued in the future.</p>
13	<p>Councillors Peter May, Allan Jeffrey, Sandra Joy & Stuart Rice</p> <p>In a previous Council, a question was raised about the increasing number of missed bin collections. The Cabinet Member gave an assurance that this was mainly a temporary blip due to the training of new apprentices. The problem is unfortunately still happening. An example of this is where different streets each week in the Mount Pleasant area are randomly being missed on a weekly basis. Previously, the department was aware of this and would issue a missed collection report to Members. This has now ceased and reporting of these frequent missed collections have to be done from a Councillor or member of the public. The consequence is that another council officer has to not only make an extra journey to clear the random street, but food and other detritus are spread as a result of split bags. Can the Cabinet Member investigate why this is still happening please and work towards this basic service being restored.</p> <p>Response of the Cabinet Member for Community (Services)</p> <p>Having asked the Collection team about your query I have been advised that the majority of issues are due to parked cars obstructing collection vehicle access to</p>

	<p>streets in and around Mount Pleasant. The Collection team provided an example of a single street in the area which collection vehicles have not been able to access on 5no occasions already in 2024.</p> <p>In an attempt to improve the issue, the Collection team have previously letter dropped the area to ask residents to park more considerately on collection day to ensure vehicles can access the streets on the intended day. The team will now seek support from local Ward Members to request PCSOs attend the area and enforce appropriate parking to reduce obstructions.</p> <p>The team advise that they continue to send notification to Ward Members when collection delays are caused by vehicle/staff/workload pressures.</p>
14	<p>Councillors Francesca O'Brien, Angela O'Connor, Will Thomas, Lyndon Jones, Brigitte Rowlands & Richard Lewis</p> <p>How will this Council allocate the consequential funding following the UK government announcement in January.</p> <p>Response of the Leader</p> <p>The indicative additional sum coming to Welsh local government via the Welsh Government, is measly, courtesy of the UK government's own choices and subterfuge, to avoid proper devolved funding. I am of course pleased the whole sum received by the Welsh Government has been rightly passported through to Welsh local government. One can only hope that the UK Chancellor sees sense in the UK budget on 6 March and starts to allocate some sensible and fair sums of money to all UK public services and ensures fair and transparent fair shares for Wales.</p> <p>Part of the Welsh Government funding consequently will simply enable a previously announced cut to a specific grant, the social care workforce grant, effectively forced upon us by previous overall funding shortfalls courtesy of Westminster to the Welsh government. The residual sum for core funding (of less than £15m for the whole of Wales!) to be received by Swansea is likely to be just over £1m extra. That additional block grant and the amendments to the budget proposals elsewhere on this agenda will suitably reflect the allocation of that sum.</p> <p>For the avoidance of doubt it amounts to little less than one fifth of one percent of our total budget or just about covers the fire increase so I won't rejoice at Westminster's last minute "largesse" to Wales and Swansea simply to buy off a few worried English Conservative Shire MPs with a sticking plaster for English council funding and a consequential afterthought for Wales.</p> <p>It cannot have been advised earlier because the budget papers for this Council will have been published before the Welsh Government is able to formally advise us of our specific sum itself because they themselves have been waiting for Westminster to confirm funding.</p>
15	<p>Councillors Francesca O'Brien & Angela O'Connor</p> <p>Can the Council explain how books are chosen or displayed in our local libraries.</p> <p>Response of the Cabinet Member for Culture, Human Rights & Equalities</p>

Swansea public libraries are part of the Wales Public Library Stock consortium. Books are procured from specialist library book suppliers who assist with book processing and integrated system financial processes to make supply more efficient. The main suppliers have stock selection platforms which assist library staff in selection of titles. Ebook/Eaudio book suppliers also have stock selection tools to aid purchase, one of these 'Borrowbox' is also a cross Wales procured supplier via the National Library of Wales.

A small team of experienced and well informed Staff, over seen by a professionally qualified librarian at Swansea libraries make the book selections based on a wide range of factors. This information is also detailed in the library stock policy where the breadth of the scope of selection is detailed. We also take suggestions from customers via the council website and Have Your Say Forms, as well as recommendations received informally via library sites, reading groups and specific outreach activities with schools. Adhoc purchases are made via Amazon or local bookshops or direct from authors where this is appropriate and when not available from main contracted suppliers. Some book suggestions would be chargeable if they are too specialist/expensive, or we would refer readers to inter-library loans or the free regional Books4You scheme instead.

Every year we aim to grow the amount we spend per 1000 of population on books published in the Welsh Language and we have large historic collections in the Welsh language and recently we have increased and updated the books we hold in other languages especially Ukranian and Polish and work with specialist suppliers to procure these. We also use IT systems to help identify any gaps in our collections based on comparative lending at other library services and we can improve the diversity and coverage through these tools as well as networked activity with professional bodies. For example, we facilitated a team member in our stock acquisition department to participate in a small working group with the Librarian's professional body CILIP for an Anti-racist Library Collections Programme.

Book Display is varied but we have rotating collections of books on themes which go around libraries and make an impact by being displayed together e.g. in support of a national date or event such as International Women's Day. Staff at a local level display their stock to reflect a wide range of themes and council priorities and also to best promote good titles in the collection.

16 **Councillors Francesca O'Brien & Angela O'Connor**

What representation has this council made, if any, to the Welsh Government with regards to the reduction of small business relief.

Response of the Leader

The authority like all others in Wales is a tax collecting agent for business rates for Welsh Government. It is also the recipient, like all local authorities of all business rates collected back as a major component of its block grant so has a potential conflict of interest. It was thus not considered appropriate to lobby for any particular aspect of a Welsh ministerial decision on national taxation for which we are collection agent. Likewise we haven't seen it appropriate, for example, to lobby about the headline inflation indexation of business rates in Wales being put up by less than in England as a result of Welsh government decisions. I am sure the Minister will have suitably weighed all other lobbying by all others appropriately.

17	<p>Councillors Oliver James, Lesley Walton, Mike Lewis, Mike White & Fiona Gordon</p> <p>Will the Cabinet Member update Council on how the Councillor community budget has helped to support various projects and initiatives that benefit the communities within their ward.</p> <p>Response of the Cabinet Member for Environment & Infrastructure</p> <p>The Community Budget scheme helps deliver many exciting local initiatives that greatly improve communities across Swansea.</p> <p>Councillors can allocate funding to any scheme providing it is legal, complies with the Council's constitution and the Council's policies and procedures.</p> <p>The community budget has been a resounding success with Councillors having £15,000 per year to directly support their wards. This enables members and residents to have even more say on community focussed schemes that directly affect their own local area.</p> <p>There are many excellent projects that have come forward thanks to the community budget.</p> <ul style="list-style-type: none"> • Life-saving defibrillators in community locations, donations to projects in local schools as well as donations to community charities for initiatives such as breakfast clubs. • Investment has been made in parks and play areas including fitness equipment, supporting local sports clubs with kit and equipment, and contributing to community events such as Christmas activities and trees. • Improving safety with minor footpath, road improvements and lighting schemes. • Improving Biodiversity with contributions towards floral displays, fruit tree and daffodil and wildflower planting. • Donations have also been made to support local food banks. <p>The fund makes a significant contribution to projects that make a huge difference to the look and feel of our communities. Quite often the projects are suggested by residents themselves and it's the local members that help make the ambition a reality.</p> <p>Part of a councillor's role is to be a community champion for their area. This budget has enabled them to give a voice to their residents and provide support for projects they want to see succeed.</p>
	<p>Part B – No Supplementaries</p>
18	<p>Councillors Peter May, Allan Jeffrey, Sandra Joy & Stuart Rice</p> <p>Please can the Cabinet Member confirm if there is anyone from Swansea that is being kept in "solitary confinement" as described in Baroness Hollins' Final Report</p>

	<p>(published 8 November 2023). It is noted that the report relates to England but there are lessons to be learned across the UK, that there is no therapeutic benefit for people with a learning disability and/or autism to be kept in solitary confinement.</p> <p>Response of the Cabinet Member for Care Services</p> <p>We do not have facilities in the community that would allow for solitary confinement. In our Supported Living estate such spaces do not exist and such practices would not be tolerated. The private residential sector is also overseen by the Care Inspectorate Wales (CIW) and this would also not be allowed. Regular contact by Social Workers, Contract Monitoring staff and other professionals would pick such practice up if in a community setting. In relation to inpatient services, we have not had reports from Social Care staff visiting hospital facilities of such instances. Health Inspectorate Wales (HIW) would also oversee these services.</p>
19	<p>Councillors Mary Jones, Cheryl Philpott & Wendy Fitzgerald</p> <p>Car parking in the city centre for disabled people has become very difficult over the last few months owing to various compounds. This is having an impact of them going about their daily lives. This is undoubtedly also having an impact on our businesses in the City Centre. Can the Cabinet Member give a time frame when both Park Street car parks will be available for use.</p> <p>Response of the Cabinet Member for Environment & Infrastructure</p> <p>The regeneration of this section of the city centre requires that both East and West Park Street Car Parks will be unavailable for some time. To mitigate this loss, work is underway in providing additional disabled parking facility in Pell Street and Garden Street, and providing a Blue Badge discounted tariff in St David's car park.</p>
20	<p>Councillors Michael Locke, Mike Day & Kevin Griffiths</p> <p>How many civil parking enforcement officers are employed in Swansea, and how many of those, on average, are deployed to Sketty and how many Penalty Charge Notices (PCN) have been issued during the past year by ward.</p> <p>Response of the Cabinet Member for Environment & Infrastructure</p> <p>Swansea Council currently employ 21 Civil Enforcement officers (CEOs). Two CEOs patrol the Sketty area between 2-3 times per week. The camera car is in the area every day. 579 PCNs were issued in the Sketty area between 01/01/23 and 31/12/23. Unfortunately, we are unable to provide the information by ward as the parking system has not been configured to provide this data.</p>