

COUNCIL SUMMONS

You are hereby summoned to attend a Meeting of the COUNCIL OF THE CITY AND COUNTY OF SWANSEA to be held in the Council Chamber, Civic Centre, Swansea on Tuesday, 30 September 2014 at 5.00 pm

The following business is proposed to be transacted:

1. **To elect the Deputy Presiding Member of Council for the remainder of the 2014-2015 Municipal Year.**
2. **Apologies for Absence.**
3. **Disclosures of Personal and Prejudicial Interests.**
4. **Minutes.** **1 - 5**
To approve and sign as a correct record the minutes of the Ordinary meeting of Council held on 9 September 2014.
5. **Announcements of the Presiding Member.**
6. **Announcements of the Leader of the Council.**
7. **Public Questions.**
Questions must relate to matters on the open part of the Agenda of the meeting and will be dealt within a 10 minute period.
8. **Public Presentation - None.**
9. **Report of The Leader.** **6 - 21**
 - 9.a Reforming Local Government.
10. **Report of the Cabinet Member.** **22 - 23**
 - 10.a Membership of Committees.
11. **Reports of the Section 151 Officer.**
Note: The Section 151 Officer will introduce and give and overview on Agenda Items 10a & b. This will be then followed by Technical Questions, a presentation by the Leader / Cabinet Member for Finance & Strategy, Questions, Discussions / Debate, then a decision.
- 11.a Statement of Accounts 2013-2014. **24 - 25**
- 11.b Treasury Management Annual Report 2013-2014. (For Information) **26 - 48**
12. **Report of the Cabinet Member for Wellbeing & Healthy Cities.** **49 - 76**
 - 12.a Sustainable Development Report 2013-2014.

13. Joint Report of the Monitoring Officer and Head of Democratic Services.	
13.a Constitutional Matters 2014-2015 - Changes.	77 - 85
14. Report of the Head of Democratic Services.	
14.a Dispensation for Councillor Leave of Absence - Councillor WJF Davies.	86 - 87
15. Director of Social Services Annual Report 2013-2014.	
15.a Report of the Chief Social Services Officer. (For Information)	88 - 147
16. Report of the Chair of the Scrutiny Programme Committee.	
16.a Scrutiny Annual Report 2013-2014.	148 - 162
17. Councillors' Questions.	163 - 166
18. For Information Reports. (Not For Discussion)	
18.a Scrutiny Dispatches.	167 - 168
19. Notice of Motion from Councillors R C Stewart, C Richards, M C Child, J E C Harris, J A Raynor, D Hopkins, W Evans, R Francis-Davies. M Thomas, C E Lloyd, D W W Thomas, E T Kirchner, V M Evans, A S Lewis, N S Bradley, P M Matthews & P Lloyd.	

Making Swansea a Dementia Supportive Community

The Council notes that:

In the City and County of Swansea over 3,300 people are living with dementia. Across Wales as a whole more than 45,500 people are living with the condition.

Two thirds of people with dementia live in the community, many on their own. One third of people with dementia live in a care home.

Dementia is the fastest growing condition for the over 65's.

One in three people over 65 will die with a form of dementia.

Only 42% of people living with dementia in the Swansea area have received a formal diagnosis.

Diagnosis is the key that unlocks access to both statutory and third-sector support and services.

The financial cost of dementia to Wales was an estimated as being over £1.26billion in 2013.

This Council resolves to:

Work towards making Swansea the first "Dementia Supportive Community" in Wales, a status officially recognised by the Alzheimer's Society.

Appoint an elected member to the position of Dementia Champion and appoint a lead officer for dementia.

Work in partnership with the Dementia Supportive Community Forum, including appointing an officer to represent the Council on the Forum.

Work in partnership with Abertawe Bro Morgannwg University Health Board to continue to develop and improve services for people with dementia.

Encourage staff of the City and County of Swansea to become a 'Dementia Friend', through the Alzheimer's Society 'Dementia Friends' initiative.

Participate in awareness raising activities during Dementia Awareness Week.

Ensure that due consideration is given to people living with dementia and their carers by including them explicitly in Equality Impact Assessments.



Patrick Arran
Head of Legal, Democratic Services & Procurement
Civic Centre
Swansea

Wednesday, 17 September 2014

To: All Members of the Council

CITY AND COUNTY OF SWANSEA

MINUTES OF THE MEETING OF COUNCIL

HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, SWANSEA ON
TUESDAY, 9 SEPTEMBER 2014 AT 5.00 PM

PRESENT: Councillor D W W Thomas (Presiding Member) Presided

Councillor(s)	Councillor(s)	Councillor(s)
J C Bayliss	C A Holley	G Owens
P M Black	P R Hood-Williams	C L Philpott
N S Bradley	B Hopkins	T H Rees
J E Burtonshaw	Y V Jardine	I M Richard
M C Child	A J Jones	C Richards
R A Clay	J W Jones	N M Ronconi-Woollard
U C Clay	M H Jones	P B Smith
A C S Colburn	E T Kirchner	R V Smith
D W Cole	A S Lewis	R J Stanton
A M Cook	D J Lewis	R C Stewart
J P Curtice	R D Lewis	G J Tanner
C R Doyle	C E Lloyd	M Theaker
V A Evans	P Lloyd	C Thomas
W Evans	K E Marsh	C M R W D Thomas
E W Fitzgerald	P M Matthews	M Thomas
R Francis-Davies	P M Meara	L J Tyler-Lloyd
F M Gordon	H M Morris	G D Walker
J A Hale	B G Owen	T M White
T J Hennegan		

77. **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillors S E Crouch, N J Davies, W J F Davies, A M Day, P Downing, J E C Harris, D H Hopkins, L James, S M Jones, J Newbury, D Phillips, J A Raynor, D G Sullivan, L G Thomas and L V Walton.

78. **DISCLOSURES OF PERSONAL AND PREJUDICIAL INTERESTS.**

The Head of Legal, Democratic Services and Procurement 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 actually 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:

Councillors:

No interests were declared.

Officers:

- 1) The Head of Democratic Services declared a Personal Interest in Minute 86 "Amendments to the Council Constitution - Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014" and withdrew from the meeting prior to its consideration;
- 2) The Chief Executive and Head of Legal, Democratic Services and Procurement and Monitoring Officer) declared a Personal Interest in Minute 86 "Amendments to the Council Constitution - Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014".

79. **MINUTES.**

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

- 1) Extraordinary Meeting of Council held on 30 July 2014 subject to Councillors D H Hopkins and T M White being added to the list of apologies given;
- 2) Ordinary Meeting of Council held on 12 August 2014.

80. **ANNOUNCEMENTS OF THE PRESIDING MEMBER.**

1) IPC (International Paralympic Committee) Athletics European Championships – Swansea 2014.

The Presiding Member stated that he was delighted to congratulate Team GB following their recent success at the IPC Championships. They won 36 medals; 5 Gold, 11 Silver and 20 Bronze.

2) European Championships Berlin 2014

The Presiding Member congratulated Jazz Carlin for winning 2 Gold Medals in the 800m and 400m freestyle swimming at the recent European Championships.

81. **ELECTION OF THE LEADER OF THE COUNCIL.**

Councillor R C Stewart. The nomination was proposed by Councillor C Richards and seconded by Councillor A S Lewis.

RESOLVED that Councillor R C Stewart be elected as Leader of the Council.

82. **ANNOUNCEMENTS OF THE LEADER OF THE COUNCIL.**

1) Announcement of New Cabinet and Structure

The Leader of the Council stated that he would be announcing a new Cabinet and structure during the next few days.

2) GCSE Results

The Leader of the Council called upon Councillor W Evans to make an announcement in relation to the recent GCSE Results.

Councillor W Evans stated that Swansea's secondary schools were celebrating their best ever GCSE results. Swansea pupils who achieved 5 GCSE's from A* to C including Maths and either Welsh or English had improved from 55.3% last year to 58.5% this year.

He stated that these fantastic results were a credit to our pupils and the support of their parents and their Teachers who have put in countless hours of hard work to realise these goals. Beating the national average for A* and A grades by nearly 4% also further raises the profile of the high standards being set by Swansea schools.

He further stated that these results outlined the drive and commitment of the ruling Group of Council.

3) Stonewall Education Equality Index

The Leader of the Council called upon the Opportunities for Children and Young People Cabinet Member, Councillor M Theaker to make an announcement in relation to the Stonewall Education Index.

The Opportunities for Children and Young People Cabinet Member stated that the City and County of Swansea was committed to tackling homophobic bullying and supporting Lesbian, Gay, Bisexual and Transgender people in their local communities.

He stated that he was pleased to announce that Swansea had been placed 26th out of 45 on its first attempt when competing on the Stonewall Education Equality Index.

He paid tribute to the Chair of the Equalities Committee, Councillor F M Gordon and to the Councillor Champion for Gender, Gender Reassignment and Sexual Orientation, Councillor J C Bayliss for their commitment and drive in achieving this status.

4) Healthy Cities

The Leader of the Council called upon the Wellbeing Cabinet Member, Councillor M C Child to make an announcement in relation to Healthy Cities.

The Wellbeing Cabinet Member stated that he was delighted to announce that Swansea had been accepted on to Phase 6 of the World Health Organisations Healthy City Network.

He stated that this was thanks to much work by Officers of this Authority but also to others including Dr Nina Williams of Public Health Wales and Sharon Miller of the Abertawe Bro Morgannwg University (ABMU) Health Board.

83. PUBLIC QUESTIONS.

A number of questions were asked by members of the public. The relevant Cabinet Member responded accordingly. There were no questions requiring a written response.

84. PUBLIC PRESENTATION - NONE.

No Public Presentations were received.

85. MEMBERSHIP OF COMMITTEES.

The Citizen, Community Engagement and Democracy Cabinet Member stated that there were no changes to be made.

86. AMENDMENTS TO THE COUNCIL CONSTITUTION - LOCAL AUTHORITIES (STANDING ORDERS) (WALES) (AMENDMENT) REGULATIONS 2014.

The Presiding Member submitted a report which sought to make amendments in order to simplify, improve and / or add to the Council Constitution in relation to the Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014.

He stated that the amendments were within the following areas of the Council Constitution:

- i) Part 2 - Article 15 "Review and Revision of the Constitution";
- ii) Part 3 - Scheme of Delegation;
- iii) Part 3 - Terms of Reference: Appointments Committee, Chief Executive's Appraisal and Remuneration Committee;
- iv) Part 4 - JNC Officer Appointment Procedure Rules;
- v) Part 4 - Chief Officers and Deputy Chief Officers Disciplinary Procedure Rules.

RESOLVED that the recommendations listed in Appendices A, B and C of the report be approved and adopted.

87. **COUNCILLORS' QUESTIONS.**

1) **Part A 'Supplementary Questions'**

Two (2) Part A 'Supplementary Questions' were submitted. The relevant Cabinet Member(s) responded by way of written answers contained in the Council Summons.

No supplementary questions required a written response.

2) **Part B 'Questions not requiring Supplementary Questions'**

No Part B 'Questions not requiring Supplementary Questions' were submitted.

88. **SCRUTINY DISPATCHES.**

The Chair of the Scrutiny Programme Committee submitted an information report which provided Council with a progress report on various scrutiny activities.

The meeting ended at 5.26 pm

CHAIR

Agenda Item 9.a

Report of the Leader

Council 30 September 2014

REFORMING LOCAL GOVERNMENT

Purpose:	The purpose of this report is to summarise the key proposals contained within the Welsh Government's White Paper – Reforming Local Government, issued on the 8 th of July 2014 and to outline the response of the Welsh Local Government Association.
Policy Framework:	None.
Reason for Decision:	To inform Council about the proposals within the White Paper – Reforming Local Government, in relation to the future shape of Local Government in Wales and the response of the WLGA.
Consultation:	Legal, Finance and Access to Services.
Recommendation:	It is recommended that:- 1) The proposals within this paper are noted and considered by Council.
Report Author:	Joanne Portwood.
Finance Officer:	Ben Smith.
Legal Officer:	Tracey Meredith.
Access to Services Officer:	Euros Owen.

1. A Summary of the Key Proposals

- 1.1 Welsh Government plan to review scrutiny and governance arrangements in order to ensure greater transparency and accountability.
- 1.2 Welsh Government will publish a paper on options to strengthen community governance in the Autumn of 2014.
- 1.3 The Well Being and Future Generations (Wales) Bill will put Local Service Boards (LSBs) on a statutory footing with a requirement to prepare a local Well Being plan.
- 1.4 The Partnership Council for Wales (PCfW) and the Public Service Leadership group, will be reviewed and reformed to provide leadership

and accountability for the implementation of the reforms to Local Government.

- 1.5 The Local Government (Wales) Measure, will be reviewed to assess if there is any scope to support service improvement and the relationship between self assessment and inspection is clear.
- 1.6 Welsh Government intend to publish a draft Bill in the Autumn of 2015 for consultation, which will set out the intentions for merging Authorities and a detailed Regulatory Impact Assessment.
- 1.7 Welsh Government support the Merger Option 1 presented by the Commission on Public Services Governance leading to 12 Local Authorities: the Isle of Anglesey & Gwynedd, Conwy & Denbighshire, Flintshire & Wrexham, Ceredigion & Pembrokeshire, Neath Port Talbot and Bridgend, Rhondda Cynon Taff & Merthyr, Cardiff & the Vale of Glamorgan, Blaenau Gwent, Caerphilly & Torfaen, Monmouthshire & Newport, Carmarthenshire, Powys and Swansea.
- 1.8 The timetable for Mergers is as follows;
 - In January 2015, Welsh Government will introduce a Bill which will provide the powers necessary to enable and facilitate a programme of work for the mergers. The new powers will enable the Local Democracy and Boundary Commission for Wales (LDBCW) to start work.
 - Subject to the first Bill being passed by the Assembly, it will receive Royal Assent in November 2015.
 - In the Autumn of 2015, Welsh Government will publish a second Bill for consultation which will establish the new Authorities.
 - After the Assembly Elections in May 2016, the second Bill will be introduced into the Assembly and subject to it being passed would receive Royal Assent in May 2017.
 - In May 2017, Local Government Elections (postponed from May 2016) to existing Local Authorities will take place. Councillors elected to Authorities to be merged will serve a term of 3 years. Councillors of continuing Authorities will serve a time of 5 years.
 - Elections to Town and Community Councils will take place on the same day in May 2017.
 - In May 2019, the first elections of the new Authorities, merged under the provisions of the second Bill would be held with Councillors elected for three years. The resulting Councils would exist as Shadow Authorities until Vesting Day on 1 April 2020, when they would assume full functions and the old Authorities abolished.

- In May 2022, full Local Government Elections for all Authorities would be held, for a proposed term of 5 years.
- 1.9 Alternatively, Local Authorities may wish to merge on a voluntary basis. Provision for Local Authorities will be contained within the first Bill in January 2015. The timetable for voluntary mergers is as follows;
- Local Authorities wishing to merge on a voluntary basis must submit expressions of interest by November 2014 and provide a full business case by 2015.
 - There would be no elections in May 2017 to Authorities who wish to merge on a voluntary basis. Subordinate legislation would extend the terms of existing Councillors to May 2018.
 - In October 2017, a shadow Authority and shadow Council for the merging Councils will be established.
 - Vesting day for the new voluntarily merged Authorities would be the 1st April 2018 and the first elections to the new Authorities would be May 2018.
- 1.10 The first Bill will enable the Local Democracy and Boundary Commission for Wales (LDBCW) to make recommendations for Electoral arrangements for the proposed new Authorities.
- 1.11 The first Bill will also enable the Independent Remuneration Panel (IRP) to make recommendations in relation to payments made to Members of new Authorities and shadow Authorities.
- 1.12 Provision will also be made in the first Bill, to divert and distribute property or assets.
- 1.13 The first Bill will also make provisions for Local Authorities to establish Joint Transition Committees to ensure Local Authorities co-operate and work together in order to prepare for mergers.
- 1.14 The Welsh Government will establish a Staff Commission on staff matters related to the mergers. Initially it would be established on a non statutory basis, but provision will be made in the second Bill to place the Commission on a statutory basis.
- 1.15 Welsh Government estimate that the costs of the merger will be between £80 million to £100 million, with recurrent savings of between £60 to £80 million a year. However, the WLGA estimate that the costs of the merger would be between £200 to £400 million a year with recurrent savings of between £92 million and £100 million a year.

- 1.16 Welsh Government will review the Local Government finance system (including hypothecated funding) alongside the reforms to Local Government.
- 1.17 The largest source of Local Government funding comes from the Welsh Government through the RSG. The Welsh Government do not anticipate any increase in the overall council tax requirement – although there may be local impacts on council tax levels.

2. Introduction

- 2.1 The White Paper - Reforming Local Government is the Welsh Government's response to the recommendations made by the Commission on Public Services Governance and Delivery – the Williams' Report and sets out the Welsh Government's proposals on the future structure and organisation of Local Authorities in Wales. The paper outlines the actions Welsh Government plan to take between now and the end of May 2016 to facilitate a programme of local Authority mergers.
- 2.2 The Commission on Public Service Governance and Delivery was established to review the governance and delivery of public services in Wales. The Commission was tasked to produce a report about the changes that are needed, not only in terms of structures, but also in terms public engagement and expectations in order to ensure Public Services are effective and sustainable in the future.

3. The Findings from the Commission on Public Service Governance and Delivery

- 3.1 The Commission found that financial pressures on public services are severe and unsustainable. Even the most optimistic projections, indicate that levels of public expenditure will not return to 2011 levels until 2022.
- 3.2 The Commission also found 'inexplicable' variations in the performance of Local Authorities (even after taking the challenges of demography, deprivation and geography for different Local Authorities into account). The Commission suggested that too much effort is wasted on managing complex systems, rather than providing high quality services.
- 3.3 The Commission reported that many Local Authorities in Wales are too small to effectively address risks and pressures, and that governance arrangements are often unclear and scrutiny is under-valued and ineffective. The Commission recommended a reduction in the number of Local Authorities to between 10 and 12.
- 3.4 The Commission also reported that Community Council sector is in needed of reform and that the number and scale of Town and Community Councils in Wales were problematic in terms of their

accountability, representativeness and their ability to understand and articulate local needs.

- 3.5 Finally, the Commission reported that the large volume of performance data collected by the Public Sector was not being effectively used to deliver improved outcomes and recommended the development of a single set of national outcomes.

4. The Future of Local Government – What Should We Expect of Local Authorities

- 4.1 The Future Generations (Wales) Bill was launched on the 7th July 2014 and sets out a vision for a sustainable future for Wales. The Bill proposes a new legislative framework to agree a long term set of well being goals for Wales. The Bill aims to ensure that Local Authorities work together with other parts of the Public Sector in order to improve the lives of people now and in the future through the delivery of a shared set on long term goals to improve the social, economic and environmental well being. The Bill also aims to secure governance approaches of prevention and collaboration.
- 4.2 The White Paper states that evidence demonstrates that people want Local Authorities to provide services that are responsive to need, high performing, simple to access and use, resilient to cope with increased demand and able to adapt to new challenges through innovation. In addition, Welsh Government also suggests that Local Authorities should also be able to anticipate and manage demand, in order to prevent the escalation of need and to encourage local people to take greater responsibility for their own well being.
- 4.3 Welsh Government also suggest that people want to see and understand decisions made by Local Authorities about their services and that Local Authorities need to be open, making transparent decisions. In addition, they suggest that when things go wrong, people expect Local Authorities to take actions quickly to remedy the problem.

5. Do Local Authorities meet these Expectations ?

- 5.1 The White Paper asserts that performance across Local Authorities is variable and patchy and although Local Authorities are becoming more open and transparent, there are still examples of decisions being made without proper consultation. The Wales Audit Office concluded that many Council did not effectively engage when planning their budgets and may not be reflecting the needs, priorities and expectations of their communities¹.

¹ Meeting the Financial Challenges Facing Local Government in Wales, Wales Audit Office, January 2014.

- 5.2 Welsh Government suggest that Elected Members do not fully reflect the communities they serve. The majority of Councillors in Wales are aged 60 yrs or over, less than a third are women, and 99 in every 100 are is white.
- 5.3 Although Scrutiny is improving, the Commission and the Wales Audit Office found that more needs to be done in order to increase public accountability. Complaints about Local Authority services need to be dealt with more effectively and measures put in place to reduce the number of complaints.
- 5.4 In order to address these challenges, Welsh Government will set out the outcomes they would like to be achieved and support Local Authorities and other public sector organisations to deliver services which produce the desired outcomes. Welsh Government plan to remove excessive performance measurement, detailed planning requirements and financial restraints in order to improve performance focused on delivering these outcomes.

6. Moving Forward

- 6.1 In order to move forward, Welsh Government suggests that we need a system of governance at a national and local level which puts us in the best possible position to deliver services which continually improve and strive for excellence, whose performance is visible and transparent to communities they serve.
- 6.2 This white paper sets out the necessary steps towards the merging of Local Authorities into larger, more sustainable organisations – however, this will only work if accompanied by a wider package of Local Government reform.

7. Reforming Local Government – Strengthening Democracy, Sustaining and Improving Services

- 7.1 The essence of the reforms are based on establishing an effective relationship between service users and service providers, through stronger local democracy, more effective scrutiny and enabling Councillors to properly hold those responsible for services to account, on behalf of the communities they serve.

8. How do we make Local Government more accountable and transparent ? - Democracy and Scrutiny

- 8.1 The White Paper suggests that Local Authorities need to lead the drive for improving the full range of their services working together for the wider well-being of their communities. Councillors need to see themselves as champions of people and communities with clear roles for decision making, holding each other to account and delivering services for the public they serve and represent. To ensure this can happen Welsh Government intends to fundamentally review the way in

which Local Authorities are constituted and build a new constitutional settlement for reformed Local Authorities in the future.

8.2 Scrutiny and governance arrangements will be reviewed in order to ensure greater transparency and accountability. Welsh Government plan to ensure that;

- all Local Authority jobs with a salary of £100,000 to be advertised publically,
- for decisions on senior pay to be made by full Council,
- adjustments to the pay of Chief Executive to be referred to the Independent Remuneration Panel (IRP),
- Local Authorities are helped to produce live broadcasting of full meetings of Council and Committees and make this mandatory requirement,
- they implement an Action Plan in response to the Report of the Expert Group on Diversity in Local Government and work towards priority targets, such as 40% of Councillors being female,
- they will reduce the complexity with audit, inspection and regulation and there is alignment between local scrutiny and public service audit and inspection regime. Auditors and inspectors who report to Local Authorities will be required to do so, directly to the appropriate scrutiny or audit committee.
- extend the scope of the Scrutiny Development Fund in order to develop the Commission's recommendations in this regard.

9. How can we give people a stronger voice in decisions effecting them - Community Governance

9.1 The Commission identified that processes and practices in relation to 'the voice of the citizen' as sporadic, inconsistent and ineffective and that measures are needed to develop a strong and coherent voice.

9.2 The Welsh Government agree with recommendations made by the Commission in relation to the strengthening 'the voice of the citizen'. They will examine whether any Principal Authority Area in Wales would benefit from a review of their Communities and that the role of Town and Community Councils considered within the context of Larger Principal Authorities and the role of Ward Councillors. A further paper will be issued this Autumn, in order to consult stakeholders and communities on options to strengthen community governance.

10. Partnership and Collaboration

10.1 The Commission recognised the importance of collaboration, because delivery challenges are rarely contained within organisational or geographical boundaries. Although the Welsh Government have invested in local collaboration, there is a need to increase the pace and make use all the opportunities available. The implementation of the programme for regional service delivery will fall under the same

governance arrangements as the main programme for Local Government mergers. The Welsh Government will also commission an evaluation of funding streams which support collaborative working, which will report at the end of 2015.

10.2 The reform of LSBs will form a key part of our Well Being and Future Generations (Wales Bill). The Bill will

- put LSBs on a statutory footing,
- require LSBs to prepare well being plans to identify local priorities, based on an analysis of need and engagement with the areas people and communities,
- produce plans that will outline the actions necessary to achieve the priorities, by whom and when,
- ensuring links with the wider framework of national well being goals and indicators set by the bill (sustainable development principles – long term thinking, integration, collaboration, prevention and citizen engagement,
- will ensure that the LSB is held to account.

11. National Partnership arrangements

11.1 The White Paper proposes that the Partnership Council for Wales (PCfW) and the Public Service Leadership group need to be reviewed and reformed to reflect the new model of public services. PCfW should own their programme of work required to implement the reforms. They should provide political accountability and leadership for many of the elements of the new public service reform agenda, including Local Authority mergers.

12. How do we ensure Local Government performance is improving and continues to improve ?

12.1 The White Paper states that complex arrangements for managing performance have distracted services from the central purpose of helping people. Performance reporting management has grown in an unmanaged way and more focus is needed. However, it is not only the best performance data and the analysis but on setting performance information and management within a context of clear strategic purpose, priorities and direction. The Well being of Future Generations (Wales) Bill will provide the framework for achieving clarity of purpose for the longer term. The Bill will establish a smaller set of national well-being goals and a process by which public service organisations will need to demonstrate how they have sought to achieve these goals. The Bill will also aim to develop principles and standards for performance management across the public sector in Wales.

12.2 Welsh Government want to see Local Authorities promoting wellbeing through preventative action and addressing issues related to

performance or governance, before they are identified by inspectors. Welsh Government will review the Local Government (Wales) Measure to see if there is scope to support service improvement and relationship between self assessment and inspection is clear.

- 12.3 Welsh Government also want to see Local Authorities provide information to their communities in an accessible and transparent way, a commitment to openness from Leaders and Senior Officers, but will also require a capable strategic function with analytical capacity and capability.
- 12.4 Welsh Government intend to put in place clear and shared outcomes, which focus more effectively on longer term improvements in people's well being. Welsh Government want to reduce the complexity of service led performance and want Local Authorities to make better use of qualitative information.
- 12.5 Welsh Government will review the way in which funding for Local Authority improvement is used – it will focus on prevention and longer term well being, in addition to service improvement and good governance.

13. Reforming Local Government

- 13.1 Welsh Government accept the Commission's recommendation to reduce the number of Authorities through mergers. Although smaller organisations do not necessarily provide worse service, the Commission did find areas where small scale, creates risk to governance and delivery, a lack of resilience in smaller organisations and more difficulties in recruiting and retaining high calibre leaders.
- 13.2 The Commission also found that economies of scale exist in Local Authorities, and that larger Authorities are able to provide frontline services more efficiently because the costs per unit and corporate overheads are lower. Similarly, the Commission found that smaller authorities found it more difficult to innovate and provide flexible services, as smaller authorities tend to focus on providing day to day services in established ways.
- 13.3 The Commission suggested that talent in Wales was being spread too thinly with a large number of smaller organisations leading to greater competition for the best leaders, managers and professionals. Although some Local Authorities have collaborated to capitalise on the necessary capacity and expertise, significant management capacity is required for collaboration to be successful.
- 13.4 The Commission found that voluntary mergers had progressed only slowly in Wales and had not delivered the benefits hoped for. The Commission argued that Local Authorities must be big enough to

minimise the risks of small scale, but not so big as to become unmanageable, unrepresentative or distant from their communities.

- 13.5 The Commission identified several criteria for re-form of Local Authorities including; a shared heritage and culture, particularly language, levels of deprivation, population density, council tax levels, patterns of commuting and economic growth. In addition, the Commission sought to make recommendations for mergers based within the boundaries of larger organisations such as Local Health Boards and Police Forces and qualification criteria for EU funding.

14. The Future Shape of Local Government

- 14.1 Welsh Government do not think there is enough time to develop, plan and legislate for a full programme of mergers before the next National Assembly mergers in May 2016. However, the Welsh Government do intend to publish a draft bill in the Autumn of 2015 for consultation, which will set out our intentions for the merging of the Authorities and a detailed Regulatory Impact Assessment. The Welsh Government which takes office in May 2016 will then be in apposition to make early decisions about how it wishes to proceed.
- 14.2 The Commission undertook an extensive research and evidence gathering exercise on public service delivery structures and identified 4 possible options for merging authorities, leading to between 10 and 12 Local Authority areas (12 being the minimum extent of mergers necessarily to address problems of scale). Of the four options presented by the Commission, the Welsh Government consider that the first option leading to 12 Local Authorities is the preferred option ;

Commission on Public Service Governance and Delivery:
Mergers Option 1

- Isle of Anglesey and Gwynedd
- Conwy and Denbighshire
- Flintshire and Wrexham
- Ceredigion and Pembrokeshire
- Neath Port Talbot and Bridgend
- Rhondda Cynon Taff and Merthyr Tydfil
- Cardiff and the Vale of Glamorgan
- Blaenau Gwent, Caerphilly and Torfaen
- Monmouthshire and Newport
- Carmarthenshire
- Powys
- Swansea

- 14.3 Proposals for draft legislation establishing the new merged authorities will be subject of formal consultation at the appropriate time. However,

the Commission, Local Authorities and the evidence for change has compelled the Welsh Government to develop the programme of mergers at a pace and Local Authorities will be encouraged to merge on a voluntary basis.

15. What are the Timescale for the Mergers ?

- 15.1 In January 2015, Welsh Government will introduce a Bill which will provide the powers necessary to enable and facilitate preparatory work for a programme of mergers. The proposed new powers would, amongst other things, enable the Welsh Ministers to require the Local Democracy and Boundary Commission for Wales to start work.
- 15.2 It is anticipated, subject to the first Bill being passed by the Assembly, it would receive Royal Assent in November 2015.
- 15.3 In Autumn 2015, Welsh Government will publish a second Bill for consultation. The second Bill in due course will establish the new Authorities to be created through merger.
- 15.4 Shortly after May 2016 elections to the Assembly, Welsh Government will introduce the second Bill into the Assembly and subject to Assembly consideration, envisage the Bill would receive Royal Assent in Summer 2017.
- 15.5 In May 2017, Local Government Elections (postponed from May 2016) to existing Local Authorities would take place. Councillors elected to Authorities to be merged will serve a term of 3 years. Councillors of continuing Authorities will serve a time of 5 years.
- 15.6 Elections to Town and Community Councils will take place on the same day in May 2017
- 15.7 In May 2019, the first elections of the new Authorities, merged under the provisions of the second Bill would be held with Councillors elected for three years. The resulting Councils would exist as Shadow Authorities until Vesting Day on 1 April 2020 when they would assume full functions and the old Authorities abolished.
- 15.8 In May 2022, full Local Government Elections for all Authorities would be held, for a proposed term of 5 years.

16. Voluntary Mergers

- 16.1 Welsh Government agree that the mergers should be encouraged on a voluntary basis. This will be facilitated by specific legislative provision in the first bill.
- 16.2 A possible timetable for Authorities who wish to merge voluntarily;

- the first Bill in Jan 2015 would include a power for the Welsh Minister to merge Authorities who wish to do so voluntarily
 - Authorities wishing to do this must submit expressions of interest by Nov 2014 and fully developed cases by 2015
 - There would be no elections in May 2017 to Authorities merging voluntarily – instead subordinate legislation would extend terms of exiting Councillors to May 2018
 - In October 2017, a shadow Authority and shadow council for the merging Authorities would be established
 - Vesting day for the new voluntarily merged Authorities would be 1 April 2018. First elections to the new authorities would be held in May 2018
 - Elections and terms for Community and Town Councils in Authorities would merge voluntarily.
- 16.3 Welsh Government will consider providing additional support to those who propose to merge voluntarily and continuing Authorities to act as pilots and pathfinders for the constitutional and service transformation. They will also consider support for early adopters who are willing to act as 'model' authorities developing innovative approaches to scrutiny and public engagement.
- 16.4 The Welsh Government will issue a 'prospectus' for voluntary mergers which will set out what we expect from Authorities who wish to merge voluntarily and how we can help

17. Facilitating and Incentivising Voluntary Mergers

- 17.1 The Commission recommends incentivisation of early candidates for voluntary merger. The Welsh Government will set out some non legislative mechanism as incentives. In order to give legal effect to voluntary mergers, the first Bill will include powers to enable Welsh Mergers to merge two or more Authorities.

18. Local Authority electoral wards

- 18.1 The Local Democracy and Boundary Commission for Wales (LDBCW) will have a crucial role in considering and making recommendations for electoral arrangements for Local Authorities. Existing legislation does not allow the LDBCW to start work on reviewing a new Authority until it has been formally established. Welsh Government intends to make provision within the first Bill to start work as soon as it can be confirmed of the intention to establish a new Authority
- 18.2 The first Bill will enable the LDBCW to make recommendations for Electoral arrangements for the proposed new Authorities for voluntary merger

19. Remuneration of Elected Members

- 19.1 The Independent Remuneration Panel (IRP) can only make determination in respect of payments to members of established Authorities. Welsh Government intends to make provision to enable the IRP to start work early in relation to the payments made to Members of new Local Authorities and shadow Authorities.
- 19.2 The IRP will also be able to set the maximum proportion of payments to be made of shadow Authorities who are also members of existing Authorities, in order to ensure such members are not being paid twice for doing the same job.

20. Disposal of Property and Assets

- 20.1 Provision to enable asset related savings will be made in the first Bill in order for Welsh Ministers to provide assistance to new Authorities on these issues. However, as current proposals for mergers are for existing Authorities it is not anticipated that there will be any requirement for diverting and distributing property or assets.

21. Collaboration, co-operation and preparation in advance of mergers

- 21.1 Welsh Government will make provision in the first Bill for Local Authorities to establish Joint Transition Committees to ensure they co-operate and work together for the preparation of the merger. The power would enable Welsh Ministers to specific certain tasks such as scope out existing delivery arrangements, workforce structures, assets.
- 21.2 Welsh Government will also make provision within the first Bill, to prevent activities by current Authorities which might bring financial or reputational damage to any new authority.

22. Staffing Matters

- 22.1 Welsh Government intend to establish a Staff Commission to advise Welsh Minister on staff matters related to the proposed Local Government mergers. Initially the Staff Commission will be established on a non statutory basis, however, Welsh Government intend to put the Commission on a statutory footing as part of the second Bill.

23. Financial Considerations – the Costs and Benefits of merging Local Authorities

- 23.1 The findings from the Commission report that inaction is not an option because of severe and unsustainable pressure on public services over the next 10 years. Severe financial pressures mean that it is not

realistic to expect Welsh Government to provide large injections of cash to meet the cost of mergers.

- 23.2 The WLGA estimated the costs of the mergers to be between £200 to £400 million, with recurrent annual savings of £92 million and £100 million. The commission believe that the WLGA have over-estimated the costs and potential savings, and the White Paper suggests the cost may be between £80 million and £100 million, with recurrent savings of £60-£80 million a year.
- 23.3 A draft Regulatory impact assessment to assess the potential costs and benefits as far as reasonably practical will accompany the draft Bill in the Autumn.
- 23.4 The White Paper states that costs should be put into context. Local Government in Wales spend £8 billion every year and the WLGA's upper costs only equate to 0.5%² of this annual expenditure (even in the WLGA's upper estimate for the costs - £400 million and recurrent savings were the lowest estimate £92 million) – this still suggests direct payback within 25 years.

24. Local Government Funding - how local services are funded in the future

- 24.1 Local Government in Wales spends over £8 billion a year in delivering services. Spending comes from a variety of sources including Welsh Government grants, other grants, council tax, non domestic rates incomes, fees and charging and borrowing. Welsh Government will seek to review the Local Government finance system
- 24.2 Welsh Government will explore the scope to develop stronger links and between funding, performance and the delivery of strategic outcomes identified through the well-being of Future Generations(Wales) Bill. It will also seek to simplify arrangements where practical and ensuring funding and budgeting arrangements are more inclusive and transparent

25. Local Government Funding – Council Tax

- 25.1 Welsh Government suggest that whilst there may be local impacts on council tax levels, there should be no need for the overall council tax requirement to increase as a result of the mergers. Moreover, mergers should deliver efficiencies where possible.

26. Local Government Funding – Welsh Government Support

- 26.1 The greatest proportion of exiting funding to Local Authorities is provided by the Welsh Government through the RSG which is

² This is an incorrect estimate. The actual proportion is 5%

distributed using a needs based formula. A programme of mergers will require the development of a new basis for distributing this funding to take into account the social and economic characteristics of all Welsh Authorities.

- 26.2 The Welsh Government will review hypothecated funding as part of a wider review into the finance system for Local Government.

27. Response by the Welsh Local Government Association

- 27.1 The Welsh Local Government Association estimate that the costs of merger Local Authorities could up to four times higher than the costs estimated by Welsh Government (up to £400 million) and that simple mergers and boundary re-organisation will not ensure that Local Authority services are resilient or sustainable. Moreover, they suggest that during a time of massive cuts, huge sums of money would be spent on the complex architecture of a full blown re-organisation.

- 27.1 The Welsh Local Government Association have proposed an alternative model based on the Combined Authority models in England They suggest that it would be more effective to legislate to ensure the consistent delivery of regional services, rather than legislating to achieve fewer Local Authorities. They suggest that there are already definable regions of Wales which are larger than the Local Authorities recommended by the Commission and are suitable geographies for undertaking a range of public services;

- North Wales
- Mid and Central Wales
- South West Wales
- South East Wales

- 27.2 The WLGA suggest that the presence of two City Region Boards in the South West and South East could assist the approach and that 'Combined Authorities' could be engine which fuels the city region approach. They identify a number of functions which could operate on a regional basis including; transport, planning, economic development, tourism, school improvement, commissioning health and social care services, waste process and the provision of IT procurement, pay roll, pensions and other back office services.

- 27.3 Attached to this report is a copy of the speech made by the Auditor General to the WLGA Annual Conference on 19 June 2014. The Auditor General comments on the need for public service reform and the affordability of reorganisation.

28. Conclusion

- 27.1 This report provides a summary of the main points in the white Paper and in the paper from the WLGA on an alternative approach.

- 27.2 The Welsh Government have invited comments on the White Paper by 1st October 2014.
- 27.3 The Council will need to consider its response to this debate, including the potential implications, if the Welsh Government's proposals are enacted, of Swansea remaining as a stand-alone council on current boundaries.
- 27.4 Regardless of the eventual outcome, the Council's current approach is to continue with the programme of change and transformation through the Policy Commitments and *Sustainable Swansea – fit for the future*. Our local service and financial challenges are such that we cannot allow the debate about local government reorganisation to become a distraction.

Agenda Item 10.a

Report of the Cabinet Member

Council – 30 September 2014

MEMBERSHIP OF COMMITTEES

Purpose:	Council approves the nominations / amendments to the Council Bodies.
Policy Framework:	None.
Reason for Decision:	To agree nominations for Committee Membership.
Consultation:	Political Groups.
Recommendation:	It is recommended that: - 1) any late changes submitted by the Political Groups be approved.
Report Author:	Gareth Borsden
Legal Officer:	Pat Arran
Finance Officer:	Carl Billingsley
Access to Services Officer:	N/A

1. Introduction

- 1.1 The Annual Meeting of Council on 8 May 2014, agreed membership of the various Committees/Boards as reflected in the lists submitted by the Political Groups.

2. Changes to Council Body Membership

- 2.1 The Political Groups have indicated that they will have changes to various Council Bodies:
- 2.2 This report has been included on the agenda to facilitate any possible changes.

3. Outside Bodies

- 3.1 The Leader of the Council has indicated that changes will be made. These will be reported at Council for information.

4. Financial Implications

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

5. Legal Implications

5.1 There are no legal implications associated with this report.

Background Papers: Local Government & Housing Act 1989, the Local Government (Committees & Political Groups) Regulations 1990.

Appendices: None

Agenda Item 11.a

Report of the Section 151 Officer

Council – 30 September 2014

Statement of Accounts 2013-2014

Purpose:	The Council is required to approve the 2013/14 accounts on or before 30 September 2014.
Policy Framework:	Budget and Accounts 2013/14
Reason for Decision:	To comply with the Accounts and Audit (Wales) Regulations 2010
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that the 2013/14 Statement of Accounts be approved
Report Author:	Mike Hawes
Finance Officer:	Mike Hawes
Legal Officer:	Tracey Meredith
Access to Services Officer:	Sherill Hopkins

1.0 Introduction

1.1 The attached Statement of Accounts for the year 2013/14 is recommended to Council for approval.

2.0 Timetable for completion and audit of the 2013/14 accounts

2.1 The key dates in relation to the 2013/14 accounts process are as follows:

30 June 2014	The draft Statement of Accounts was completed and certified by the Section 151 Officer in line with the requirements of the Accounts and Audit Regulations.
23 September 2014	Cabinet will formally consider the Auditors reports to those charged with governance in respect of both the Council and Pension Fund Accounts
30 September 2014	Council is asked to formally approve the 2013/14 Statement of Accounts.

30 September 2014	Statutory date for the completion of the external audit of the Statement of Accounts
2 October 2014	Audit Committee will further consider the Auditor's reports as presented to Cabinet together with any amendments arising from audit work undertaken up to and including 30 th September 2014.

3. Changes to the format and content of the Statement of Accounts

3.1 The principal changes in respect of presentation and content of the accounts for 2013/14 relate to revisions to the classification, recognition, measurement and disclosures in respect of post-employment benefits following the June 2011 amendments to IAS 19.

3.2 The principle changes are:-

- The expected return on assets on pension fund investments is calculated at the discount rate advised by the Actuary instead of the previous valuation of expected return based on actual assets held in the Pension Fund
- The interest on the service cost is shown within actual service costs within the Comprehensive Income and Expenditure Account.

These changes result in higher charges within the Comprehensive Income and Expenditure Statement but have no overall effect on the available reserves of the council.

Prior year figures have been adjusted to reflect the new policy for comparator purposes.

4.0 Financial Implications

4.1 There are no direct financial implications arising from this report

5.0 Legal Implications

5.1 There are no legal implications associated with this report.

6. Equalities and Engagement Implications

6.1 There are no Equalities or Engagement implications associated with this report.

Background Papers: None.

Appendices: Statement of Accounts given as an Appendix to the Council Agenda

Statement of Accounts 2013/14

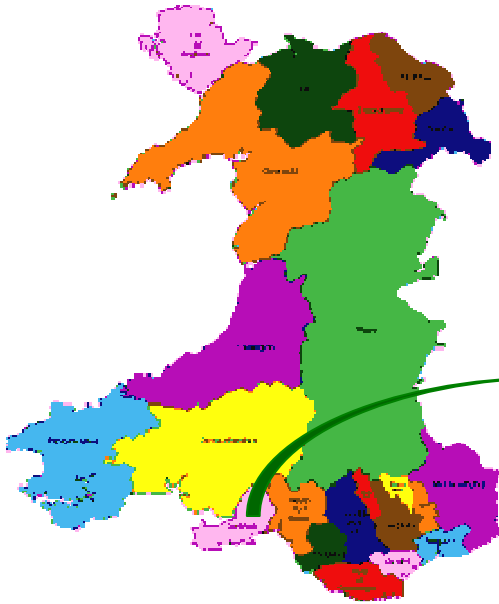


City and County of Swansea ● Dinas a Sir Abertawe

CONTENTS

Introduction	3
Explanatory Foreword	4
Movement in Reserves Statement	12
Comprehensive Income and Expenditure Statement	15
Balance Sheet	17
Cash Flow Statement	19
Notes to the Accounts (including significant accounting policies)	20
Housing Revenue Account Income and Expenditure Statement	129
Movement on the HRA Balance	131
Notes to the Housing Revenue Account	133
Asset Structure	137
City & County of Swansea Pension Fund	140
Group Accounts	178
Group Movement in Reserves Statement	182
Group Income and Expenditure Statement	185
Group Balance Sheet	188
Group Cash Flow Statement	190
Notes to the Group Financial Statements	191
Head of Finance and Delivery Certificate and Statement of Responsibilities for the Statement of Accounts	202
Auditor's Report to the City and County of Swansea	203
Annual Governance Statement	205
Glossary of Terms	219

INTRODUCTION



The City and County of Swansea is located on the South Wales Coast and is one of twenty two unitary local authorities providing local government services in Wales.

The area of the Authority includes the Gower peninsula, designated as Britain's first area of outstanding natural beauty.

Approximately 239,600 people live within the boundaries of the Authority of which:

- 41,500 are aged under 16
- 51,700 are of pensionable age
- 21,000 are aged 75 years and over



The County has a mixed agricultural and industrial economy. The City sits at the mouth of the River Tawe, from which its Welsh name, Abertawe, derives.

This Statement of Accounts is one of a number of publications, which include the revenue and capital budgets, produced to comply with the law and designed to provide information about the Authority's financial affairs.

Copies of these accounts can be obtained from:

The Head of Finance and Delivery
City and County of Swansea
Civic Centre
Swansea
SA1 3SN

EXPLANATORY FOREWORD

The main elements of this Statement of Accounts comprise:-

- * The Movement in Reserves Statement which shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.
- * The Comprehensive Income and Expenditure Statement, which shows the income from, and spending on, Authority services for the year. It also shows how much money we get from the Welsh Government, business ratepayers and Council taxpayers together with the net deficit / surplus for the year.
- * The Balance Sheet, showing a snapshot of the Authority's financial position at the 31st March 2014.
- * The Cash Flow Statement, which shows transactions for the year on a cash basis rather than on an accruals basis.
- * The notes to the accounts, incorporating the main accounting policies which show the basis on which we have prepared the accounts and the accounting principles the Authority has adopted. The notes also offer further analysis of items appearing in the main financial statements.
- * The Housing Revenue Account (HRA) Income and Expenditure Statement, which shows income from, and spending on, Council housing for the year. This account is stated separately as required by statute although the overall results are incorporated into the Authority's Comprehensive Income and Expenditure Statement.
- * The Pension Fund accounts, which show all contributions received and benefits paid for the year together with a snapshot of the financial position of the fund at the year end.
- * The Group Accounts, which show the consolidated accounts of the Authority and its group companies.
- * The Certificate and Statement of Responsibilities of the Head of Finance and Delivery who is the responsible officer for the production of the statement.
- * The Annual Governance Statement, which gives an indication of the arrangements for and effectiveness of internal control procedures within the Authority.
- * The auditor's opinion and certificate relating to the Statement of Accounts.

EXPLANATORY FOREWORD

We incur two main types of expenditure – revenue expenditure and capital expenditure.

Revenue expenditure covers spending on the day to day costs of our services such as staff salaries and wages, maintenance of buildings and general supplies and equipment. This expenditure is paid for by the income we receive from Council taxpayers, business ratepayers, the fees and charges made for certain services, and by the grants we receive from Government.

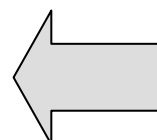
Capital expenditure covers spending on assets such as roads, redevelopment and the major renovation of buildings. These assets will provide benefits to the community for several years and the expenditure is largely financed by borrowing, capital grants and the sale of fixed assets. Amounts borrowed for capital purposes are repaid in part each year as part of our revenue expenditure.

Sources of borrowing utilised include the Public Works Loan Board (PWLB) and capital markets. The PWLB is a Government agency which provides longer-term loans to local authorities.

EXPLANATORY FOREWORD

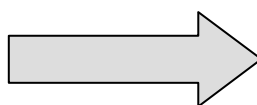
Revenue spending in 2013/2014

	£'m	%
Revenue support grant	254.6	34
Non domestic rates	74.9	10
Council tax (including Reduction Scheme)	108.1	14
Other income (rents, fees and charges, specific grants)	318.1	42
	755.6	100



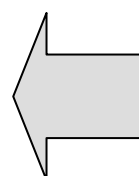
**Where our
money
comes from**

**What we spend it
on**



	£'m	%
Employees	318.0	43
Capital charges	18.7	2
Running costs	387.3	51
Precepts/Levies	28.3	4
Reserve transfers	3.4	0
	755.6	100

	£'m	%
Education & Children's Services	280.8	38
Adult Social Services	98.7	13
Highways/transport	49.6	7
Culture & related services	39.6	5
Environmental and regulatory services	35.3	5
Planning services	23.9	3
Housing	169.5	22
Precepts/levies	28.3	4
Reserve transfers	3.4	0
Other	26.5	4
	755.6	100



**And the
services it
provides**

EXPLANATORY FOREWORD

Authority services

The revenue outturn position of the Authority for 2013/14 resulted in an increase in expenditure on services of £0.6m under the adjusted budget. In addition, the revenue outturn position reflects a further £3.4m of one off expenditure on an invest to save basis, that was met from the Authority's contingency fund primarily to fund early retirement and voluntary redundancy costs as the Authority seeks to reduce its operating costs and adjust to reducing grant levels.

The net underspend on Services reflects forecast and known pressures within both Social Services and Education budgets which have been reflected in 2014/15 budget proposals.

Other budget variations

Other charges during the year arose from increases in capital repayments and interest charges (£0.090m) and increased income from Council Tax (£1.333m).

The above resulted in a lower overall use of the Contingency Fund than was forecast in the third quarter financial monitoring report and enabled £1m to be set aside to provide for an Early Intervention Reserve as the Authority continues to seek to transform service delivery in a period of financially constrained and diminishing resources. The Authority did not need to draw down its general reserves for the year as had originally been planned.

Housing Revenue Account

The Housing Revenue Account of the Authority is a ring fenced account dealing exclusively with income and expenditure arising from the Authority's housing stock. For 2013/14 there was a net increase in HRA reserves at year end of £0.009m (2012/13 net decrease £2.1m).

EXPLANATORY FOREWORD

Capital spending in 2013/14

	£'000
External borrowing	19,643
Government grants	32,073
European grants	7,903
Other grants/contributions	1,407
Capital receipts	3,937
Revenue and reserves	20,552
Financing of previous years	-1,487
	84,028

Where our money comes from

What services we spend it on

	£'000
Corporate Services	4,625
Place Services	65,903
People Services	13,500
	84,028

Some of the assets it provided

Corporate Services	£'000	Place Services	£'000
IT hardware and services	2,080	Highways and Transportation	
		Footway resurfacing	434
People Services		Highways Carriageways	2,056
Education		Morfa Road phases 1 & 2	713
Morrison Comprehensive	10,674	Road Safety Traffic	338
Burlais rebuild	453	Morrison SRIC	484
Gowerton rebuild	445	Economic Development	
Flying Start schemes	692	Boulevard road works	4,713
Schools capital maintenance	5,730	Felindre infrastructure works	2,855
Place Services		Pontardulais public realm	455
Housing		Hafod Copperworks	413
HRA BISF Houses Penlan	2,200	Other Services	
HRA Door/window renewals	3,628	Glyn Vivian refurbishment	443
HRA Adaptation works	3,517	Guildhall refurbishment	1,873
HRA Boiler replacements	4,169	Brangwyn Hall refurbishment	3,068
HRA Weatherproofing	5,223	Baling plant	320
HRA Security works	1,734	Other Buildings Capital Maintenance	1,788
HRA Rewiring	1,176	Housing Renovation/DFGs	4,316
Housing DFG Grants	3,963	Housing loans	757
Hafod Renewal Area	1,649	Hafod Renewal Area	638
Housing other grants/loans	603	Marina barrage	384

EXPLANATORY FOREWORD

The Authority maintains a number of provisions and reserves. Provisions are disclosed in Note 20 on pages 75 and 76. The information regarding reserves are disclosed in the Movement in Reserves Statement on pages 12 to 14 and Note 7 on page 54.

Provisions are amounts included in the accounts as liabilities where there has been a past event which is likely to result in a financial liability but where there is uncertainty over timing and the precise value of the liability that has been incurred. It is therefore the Authority's best estimate of the financial liability as at 31st March 2014.

The Council holds Earmarked Reserves for specific purposes, together with a level of General Reserves which are available to support overall Council expenditure. However, due to the nature, size and complexity of the Council's operations, and in particular the potential for short term volatility in terms of elements of income and expenditure, it is prudent to maintain a level of General Reserves sufficient to meet anticipated and known financial risks.

At the end of the year, the Authority's revenue reserve balances amounted to £82.108m (2012/13 £79.135m).

International Accounting Standard 19 Employee Benefits (IAS 19)

The Accounts comply with the requirements of the above standard in that they reflect in the revenue accounts the current year cost of pension provision to employees as advised by the Authority's actuary. The Statements also contain, within the Balance Sheet, the actuary's assessment of the Authority's share of the Pension Fund liability as at 31st March 2014 and the reserve needed to fund that liability.

The pension fund liability that is disclosed within the Balance Sheet is the total projected deficit that exists over the expected life of the fund. This deficit will change on an annual basis dependent on the performance of investments and the actuarial assumptions that are made in terms of current pensioners, deferred pensioners and current employees.

The fund is subject to a 3 yearly actuarial valuation which assesses the then state of the pension fund and advises the various admitted bodies on the appropriate rate of employers contributions that needs to be made in order to restore the fund to a balanced position over a period of time. The contribution rate used in 2013/14 relates to the valuation undertaken on 31st March 2010.

The Local Government Pension Scheme is a statutory scheme and, as such, benefits accruing under the scheme can only be changed by legislation. The Department for Communities and Local Government legislated for a new scheme which commenced in April 2008 which was designed to have a material and beneficial effect on the projected cost of the scheme over future years.

Group Accounts

The 2013/14 Statement contains Group Accounts which show the consolidated position of the City & County of Swansea and its subsidiary/related companies.

EXPLANATORY FOREWORD

Changes in the form and content of the Statement

The Statement has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14. The code is published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The 2013/14 CIPFA Code of Practice on Local Authority Accounting requires extensive revisions to the classification, recognition, measurement and disclosures in respect of post-employment benefits following the June 2011 amendments to IAS19.

The principal changes are as follows -

- The expected return on assets is calculated at the discount rate advised by the Actuary, instead of as currently at an expected return based on actual assets held in the Pension Fund.
- The interest on the service cost is included in the service cost itself.
- Administration expenses continue to be charged through the Comprehensive Income and Expenditure Statement (included in the service cost).

These changes result in higher charges in the Comprehensive Income and Expenditure Statement.

The 2012/13 comparative figures have been restated following the revisions to IAS19. The Comprehensive Income and Expenditure Statement, Movement In Reserves Statement, Cashflow Statement, Housing Revenue Account and related disclosure notes have been amended to reflect these changes. This is shown in Note 45.

The Directorate Income and Expenditure figures for 2012/13 in Disclosure Note 25 (Amounts Reported for Resource Allocation Decisions) on Pages 83 to 86 have been revised following the recent Senior Management Restructure of the Council.

Financial outlook for the Authority.

On 18th February 2014 the Authority approved a medium term financial plan which highlighted potential revenue shortfalls rising from £17.295m in 2015/16 to £38.795m in 2017/18.

That report also contained a range of potential service specific savings options including cumulative reductions in management, supervision and administrative employee costs, assets, third party spend, income and charging together with the potential remodelling of service delivery across some areas of the Authority's activities.

EXPLANATORY FOREWORD

Notwithstanding the information contained within the medium term financial plan, it is clear that the financial outlook for the Authority in terms of Central Government funding and support for both Revenue and Capital expenditure is likely to significantly reduce in the short/medium term in line with the UK Government austerity measures.

Whilst the precise details of funding available for 2015/16 and beyond have not been announced current indications are that an overall reduction in support of circa 20% is quite feasible. The Authority is already undertaking initial work to plan for such reductions.

The Authority faces a challenging agenda including the introduction of an equal pay compliant pay and grading structure from 1st April 2014, development of regional partnership arrangements in line with Welsh Government policy, and compliance with any legislative and other changes arising from the review of pension arrangements for all staff which were subject to implementation from 1st April 2014.

Further information

You can get more information about the accounts from the Head of Finance and Delivery, City and County of Swansea, Civic Centre, Swansea, SA1 3SN.

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves.

The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

MOVEMENT IN RESERVES STATEMENT

Restated 2012/13	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Balance at 31 March 2012	6,277	54,438	16,058	13,089	19,951	109,813	59,757	169,570
Movement in reserves during 2012/13								
(Deficit) on the provision of services	-26,609	0	-4,750	0	0	-31,359	0	-31,359
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	21,952	21,952
Total Comprehensive Income and Expenditure	-26,609	0	-4,750	0	0	-31,359	21,952	-9,407
Adjustments between accounting basis & funding basis under regulations (Note 6)	30,999	0	2,622	-2,226	5,212	36,607	-36,607	0
Net Decrease/Increase before Transfers to Earmarked Reserves	4,390	0	-2,128	-2,226	5,212	5,248	-14,655	-9,407
Transfers from / to Earmarked Reserves (Note 7)	2,488	-2,416	28	-100	0	0	0	0
Increase/Decrease in 2012/13	6,878	-2,416	-2,100	-2,326	5,212	5,248	-14,655	-9,407
Balance at 31 March 2013 carried forward	13,155	52,022	13,958	10,763	25,163	115,061	45,102	160,163

The Movement In Reserves Statement for 2012/13 has been restated due to the June 2011 amendments in IAS19 (Employee Benefits). The implementation of this standard results in a change of accounting policy that requires a prior year adjustment as shown in Note 45.

MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Balance at 31 March 2013 brought forward	13,155	52,022	13,958	10,763	25,163	115,061	45,102	160,163
Movement in reserves during 2013/14								
(Deficit) on the provision of services	-23,625	0	-730	0	0	-24,355	0	-24,355
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	219,761	219,761
Total Comprehensive Income and Expenditure	-23,625	0	-730	0	0	-24,355	219,761	195,406
Adjustments between accounting basis & funding basis under regulations (Note 6)	26,942	0	1,088	1,044	-3,182	25,892	-25,892	0
Net Decrease/Increase before Transfers to Earmarked Reserves	3,317	0	358	1,044	-3,182	1,537	193,869	195,406
Transfers to/from Earmarked Reserves (Note 7)	-3,317	2,964	-349	702	0	0	0	0
Decrease/Increase in Year	0	2,964	9	1,746	-3,182	1,537	193,869	195,406
Balance at 31 March 2014 carried forward	13,155	54,986	13,967	12,509	21,981	116,598	238,971	355,569

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Restated 2012/13			2013/14		
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	£'000	£'000	£'000
27,034	-23,276	3,758	7,659	-3,867	3,792
		Central services to the public			
34,334	-10,969	23,365	39,580	-13,701	25,879
		Cultural and related services			
277,288	-55,774	221,514	280,751	-52,790	227,961
		Education and children's services			
44,710	-24,036	20,674	49,624	-28,794	20,830
		Highways and transport services			
57,948	-50,028	7,920	57,643	-51,930	5,713
		Local authority housing (HRA)			
111,289	-107,836	3,453	111,845	-103,569	8,276
		Other housing services			
98,300	-29,635	68,665	98,651	-25,344	73,307
		Adult social care			
34,766	-14,406	20,360	35,279	-13,299	21,980
		Environmental and regulatory services			
25,903	-14,659	11,244	23,853	-11,735	12,118
		Planning services			
14,171	-10,105	4,066	23,129	-7,170	15,959
		Corporate and democratic core			
17,545	-2,186	15,359	11,822	-2,243	9,579
		Non distributed costs - other			
743,288	-342,910	400,378	739,836	-314,442	425,394
		Cost of Services			

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Restated 2012/13			2013/14			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
26,432	0	26,432	Other operating expenditure (Note 8)	25,105	0	25,105
75,748	-37,896	37,852	Financing and investment income and expenditure (Note 9)	78,095	-47,104	30,991
0	-433,303	-433,303	Taxation and non-specific grant income (Note 10)	0	-457,135	-457,135
		31,359	(Surplus) or Deficit on Provision of Services			24,355
		-58,972	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets (Note 21)			-46,401
		37,020	Actuarial (gains) / losses on pension assets / liabilities (Note 21)			-173,360
		-21,952	Other Comprehensive Income and Expenditure			-219,761
		9,407	Total Comprehensive Income and Expenditure			-195,406

The Comprehensive Income and Expenditure Statement for 2012/13 has been restated due to the June 2011 amendments in IAS19 (Employee Benefits). The implementation of this standard results in a change of accounting policy that requires a prior year adjustment as shown in Note 45.

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2013 £'000	Notes	31 March 2014 £'000
Property, Plant & Equipment	11	
112,652 Council Dwellings		131,718
538,598 Other Land and Buildings		537,762
11,437 Vehicles, Plant, Furniture and Equipment		12,956
220,894 Infrastructure Assets		229,390
11,713 Community Assets		11,324
7,294 Surplus Assets		6,173
12,099 Assets under Construction		28,983
914,687		958,306
26,096 Heritage Assets	12	26,127
114,202 Investment Properties	13	122,163
1,610 Intangible Assets	14	1,188
74 Long Term Investments	15	74
906 Long Term Debtors		1,741
1,057,575 Long Term Assets		1,109,599
83,724 Short Term Investments	15	36,178
1,269 Assets Held for Sale	18	767
2,177 Inventories		1,965
57,294 Short Term Debtors	16	58,217
27,413 Cash and Cash Equivalents	17	64,727
171,877 Current Assets		161,854
-11,688 Short Term Borrowing	15	-12,367
-55,960 Short Term Creditors	19	-62,710
-37,937 Provisions	20	-29,912
-105,585 Current Liabilities		-104,989

BALANCE SHEET

31 March 2013 £'000	Notes	31 March 2014 £'000
-3,484 Long Term Creditors	15	-3,589
-14,519 Provisions	20	-14,418
-320,101 Long Term Borrowing	15	-312,188
-625,600 Other Long Term Liabilities	37	-480,700
-963,704 Long Term Liabilities		-810,895
160,163 Net Assets		355,569
Usable Reserves		
13,155 Balances - General Fund		13,155
13,958 Balances - Housing Revenue Account	7	13,967
10,763 Capital Receipts Reserve		12,509
25,163 Capital Grants Unapplied Account		21,981
52,022 Earmarked Reserves	7	54,986
115,061		116,598
Unusable Reserves		
167,061 Revaluation Reserve		202,928
-625,600 Pensions Reserve		-480,700
512,649 Capital Adjustment Account		525,447
-1,321 Financial Instrument Adjustment Account		-1,434
-7,687 Accumulated Absences Account		-7,270
45,102	21	238,971
160,163 Total Reserves		355,569

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The Statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

Restated 2012/13 £'000	2013/14 £'000
-31,359 Net (deficit) on the provision of services	-24,355
102,182 Adjustments to net surplus or (deficit) on the provision of services for non-cash movements (note 22)	85,424
-37,242 Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing and finance activities (note 22)	-38,201
33,581 Net cash flows from operating activities	22,868
-10,939 Investing activities (note 23)	21,680
-25,409 Financing activities (note 24)	-7,234
-2,767 Net (decrease) or increase in cash and cash equivalents	37,314
30,180 Cash and cash equivalents at the beginning of the reporting period	27,413
27,413 Cash and cash equivalents at the end of the reporting period (note 17)	64,727

The Cash Flow Statement for 2012/13 has been restated due to the June 2011 amendments in IAS19 (Employee Benefits). The implementation of this standard results in a change of accounting policy that requires a prior year adjustment as shown in Note 45.

NOTES TO THE ACCOUNTS

1. Accounting Policies

i. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2013/14 financial year and its position at the year-end of 31st March 2014.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2005. These regulations require the Accounts to be prepared in accordance with proper accounting practices.

These practices are set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the Code) and the Service Reporting Code of Practice 2013/14, supported by International Financial Reporting Standards (IFRS).

The Accounts have been prepared on a historical cost basis, with the exception of certain categories of non-current assets that are measured at current value, and financial instruments which are now carried within the balance sheet at fair value as defined by the Code.

The Accounts are prepared on a going concern basis.

ii. Accruals of Income and Expenditure

The Accounts are maintained on an accruals basis in accordance with the Code. This means that sums due to or from the Authority, where the supply or service was provided or received during the year, are included in the Accounts whether or not the cash has actually been received or paid in the year.

Accruals are made in respect of grants claimed or claimable for Revenue and Capital purposes. Some grant claims are finalised after the Accounts have been completed and in this case the grant is accrued on the basis of the best estimate available, and any differences are accounted for in the following year.

Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

NOTES TO THE ACCOUNTS

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure in the main on the basis of the effective interest rate for the relevant financial instrument.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iii. Cash and Cash Equivalents

Cash or cash equivalents will be any cash investment which is held for short-term cash flow purposes which can be readily realised without a significant change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

iv. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

v. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

NOTES TO THE ACCOUNTS

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events or conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. There were no material errors to report in 2013/14.

As part of a review of Property, Plant and Equipment changes in assumptions have been made regarding the remaining useful lives of most operational assets that were subject to revaluation during 2013/14.

Where appropriate, consideration has been given to the estimated useful life of individual asset components (primarily electrical, mechanical, and fabric); revenue charges for depreciation reflect the differing useful lives of asset components for all council dwellings and other land and building assets revalued as per the Authority's rolling programme from 1st April 2010.

vi. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance). Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves statement for the difference between the two.

NOTES TO THE ACCOUNTS

vii. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses. Any non-monetary benefits for current employees are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. flexi leave) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date, or an officer's decision to accept voluntary redundancy. Costs relating to termination benefits are charged on an accruals basis to the relevant Cost of Service lines in the Comprehensive Income and Expenditure Statement only when the Authority is demonstrably committed to the termination of the employment of an officer, or group of officers, or making an offer to encourage voluntary redundancy.

Post Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by CAPITA on behalf of the Department for Education.
- The Local Government Pensions Scheme, administered by the City and County of Swansea.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned by employees during their period of employment with the Authority.

However, the arrangements for the teachers' scheme means that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Service line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pensions in the year.

NOTES TO THE ACCOUNTS

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the City and County of Swansea pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds as required by IAS 19.
- The assets of the City and County of Swansea pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities - current bid price
 - unquoted securities - industry accepted techniques
 - unitised securities - current bid price
 - property - market value.
- The change in the net pensions liability is analysed into the following components:
- Service cost comprising:
 - current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - past service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
 - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - the return on plan assets - excluding amounts included in net interest on the net defined benefit liability (asset) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

NOTES TO THE ACCOUNTS

- contributions paid to the City and County of Swansea pension fund - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme. No such discretionary powers were used during the year.

viii. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

NOTES TO THE ACCOUNTS

ix. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate. This accounting treatment is dependent upon the exchange meeting strict conditions i.e. the exchange of loan instruments and the settlement of any fees or costs incurred must take place on the same day.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into three types:

- loans and receivables - assets that have fixed or determinable payments but are not quoted in an active market,

NOTES TO THE ACCOUNTS

- available-for-sale assets - assets that have a quoted market price and/or do not have fixed or determinable payments,
- fair value through Profit and Loss,
- Unquoted equity instrument where no reliable fair value can be determined therefore valued at cost.

Loan and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, the Authority has made loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet.

Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year - the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Where due to the age of the debt the original service is not identifiable the debt is written off against the Corporate and democratic core line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

NOTES TO THE ACCOUNTS

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income Expenditure line in the Comprehensive Income and Expenditure Statement.

x. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset received in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xi. Business Improvement Districts

A Business Improvement District (BID) scheme applies across the whole of the Authority. The scheme is funded by a BID levy paid by non-domestic ratepayers. The Authority acts as principal under the scheme, and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the Comprehensive Income and Expenditure Statement.

NOTES TO THE ACCOUNTS

xii. Heritage Assets

Heritage Assets were disclosed in the Statement of Accounts for the first time as at 31st March 2012 with appropriate prior year restatement. A list was produced of potential heritage assets following consultation with Heads of Service and subsequently existing heritage assets were reclassified and new assets recognised for inclusion into this new category.

All the Authority's Heritage Assets are held and maintained principally for the contribution to local knowledge and culture, with historical, artistic or environmental associations that make their preservation for future generations important. The Authority's Heritage Assets held are mainly donated to the Authority by individuals or other organisations and are principally located within the Authority's Museum Services.

Subject to specific requirements, Heritage Assets are accounted for in accordance with the Authority's policies of Property, Plant and Equipment (including the treatment of revaluation gains and losses).

The Authority does not normally purchase fixed assets of a heritage nature; all assets disclosed have been donated into the Authority's possession. All assets are open to access by members of the public, with no restrictions other than those resulting from the normal operational limitations of venues (opening and closing times, and public safety).

Management of these assets is undertaken by designated specialists and other personnel employed by the Authority. These personnel are responsible for the maintenance of all historical records relating to the assets the Authority are in possession of, access to which can be granted through local arrangement. Any preservation works required, either enhancing or non-enhancing in nature, will be undertaken through the Authority's main capital program, with minor works undertaken ad-hoc per the standard Authority internal systems for revenue expenditure.

No heritage assets disposals are actively undertaken by the Authority. Under such circumstance that asset disposal is required, it shall be undertaken per the Authority's standard asset disposal procedures.

Heritage Assets are measured in the balance sheet at valuation rather than fair value, reflecting the fact that exchange of heritage assets are uncommon. Valuations may be made by any method that is appropriate and relevant. The Authority's assets are mostly valued at insurance valuation and replacement cost (based on construction methods and materials used).

In some cases it may not be practicable to establish a valuation therefore the asset will be carried at historic cost.

NOTES TO THE ACCOUNTS

Depreciation is not required on heritage assets which have indefinite lives. Impairment reviews will only be carried out where there is reported physical deterioration or new doubts as to the authenticity of a heritage asset.

Heritage Assets recognised in the balance sheet are listed in Note 12 to the Accounts.

Where information on the cost or value is not available, and the cost of obtaining the information outweighs the benefits to users of the financial statements, the asset is not recognised on the balance sheet (however, these items are disclosed in Note 44 to the Accounts).

The Authority's grouping of heritage assets are:

- Heritage Land, Buildings and Infrastructure
- Art & Museums
- Memorials
- Civic Regalia
- Furniture, Fixtures and Fittings
- Transport
- Archive Collections
- Other (e.g. Items not held in Museums).

xiii. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible assets by the Authority.

Intangible assets are measured initially at cost and subsequently carried at cost less amortisation charged on a straight line basis. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at cost less amortisation. The depreciable amount of an intangible asset is amortised over its useful life in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

NOTES TO THE ACCOUNTS

xiv. Interests in Companies and Other Entities

The Authority has material interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and require it to prepare group accounts. In the Authority's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

xv. Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at current cost. The effect of this policy (as opposed to recording values at the lower of actual cost or net realisable value) is not considered material.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xvi. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale in the ordinary course of business.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Investment properties are not depreciated and from 2012/13 the method of valuation has been based on a Beacon approach, revalued annually according to market conditions at the year-end. Beacon assets have been selected from a range of categories within Investment Properties, for the remaining assets held in Investment Properties, an index was applied using the average percentage change in the Beacon assets per category in order to produce an intermediate valuation for reflection within the Statement of Accounts. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

NOTES TO THE ACCOUNTS

xvii. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Authority in conjunction with other venturers that involve the use of assets and resources rather than the establishment of a separate entity. The Authority recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Authority and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Authority accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

xviii. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment - applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

NOTES TO THE ACCOUNTS

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property - applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement.

NOTES TO THE ACCOUNTS

When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Most leases granted by the Authority as lessor relate to commercial properties.

xix. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2013/14 (SeRCOP). The total absorption costing principle is used - the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core - costs relating to the Authority's status as a multi-functional, democratic organisation.
- Non Distributed Costs - the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of the Net Expenditure on Continuing Services.

xx. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

NOTES TO THE ACCOUNTS

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price,
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure and community assets - depreciated historical cost,
- council dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH),
- all other assets - fair value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

NOTES TO THE ACCOUNTS

Where decreases in value are identified, they are accounted for as follows:

- for a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- for a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their estimated useful lives. No change is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- traditional dwellings - straight-line allocation over the estimated useful life of the property (80 years),
- non traditional dwellings - straight-line allocation over the estimated useful life of the property (30 years),
- other buildings - straight-line allocation over the estimated useful life of the property (40 years),
- vehicles, plant, furniture and equipment - straight line allocation over the estimated useful life of the asset (5 to 10 years),

NOTES TO THE ACCOUNTS

- infrastructure / community assets - straight-line allocation over the estimated useful life of the asset (20 to 40 years),
- surplus assets - per original allocated estimated useful life from original categorisation unless indication of amendments required to this assessment is apparent.

Each accounting period the estimated useful life assigned to individual assets is assessed. Where there is evidence to indicate the departure from a standard useful life the asset's estimated useful life will be amended.

Component Accounting

In recognition that single assets may have a number of different components each having a different estimated useful life, three factors are taken into account to determine whether a separate valuation of components is to be recognised in the accounts in order to provide an accurate figure for depreciation of the Authority's assets for council dwellings and other land and building asset categories revalued per the standard five year rolling programme since 1st April 2010.

1. Suitability of assets.

For the 2013-14 Statement of Accounts, the Authority deemed all assets assessed per the rolling program, to be of a suitable significant nature. Asset valuation therefore reflected assessment of component apportionment and respective remaining estimated useful economic life.

2. Difference in rate or method of depreciation compared to the overall asset.

Only those elements that normally depreciate at a significantly different rate from the non land element as a whole, or that require a different method of depreciation will be identified for componentisation.

Assets that fall below the de-minimis levels and tests above are disregarded for componentisation on the basis that any adjustment to depreciation charges would not result in a material mis-statement in the accounts.

Where assets are material and to be reviewed for significant components, the Authority has adopted the following level of apportionment for the non-land element of assets as:

- Building Fabric - 79%
- Mechanical - 13%
- Electrical - 8%

This apportionment will be reviewed annually.

NOTES TO THE ACCOUNTS

Professional judgement will be used in establishing materiality levels; the significance of components and apportionment applied, useful lives, depreciation methods and apportioning asset values over recognised components.

Revaluations of the Council's property assets will continue to be undertaken on a 5 yearly rolling programme basis, at which point the revaluation takes into account the value and condition of the assets, relevant components and also de-recognition where relevant.

Where there is a major refurbishment of an asset, a new valuation will be sought in the year of completion and a reassessment of the useful life.

This asset componentisation assessment exercise will be repeated following the Authority established revaluation rolling programme.

Indexation

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Subsequently where fair value less costs to sell falls below the carrying amount, the difference is posted as a loss to Other Operating Expenditure in the Surplus or Deficit on the Provision of Services. Where fair value less costs to sell rises above the carrying amount, a revaluation gain is recognised, but only to the extent that impairment or revaluation losses have been charged to the Surplus or Deficit on the Provision of Services in the past that have not previously been reversed. Depreciation is not charged on Assets Held for Sale.

NOTES TO THE ACCOUNTS

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Such receipts are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xxi. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate line in the Comprehensive Income and Expenditure Statement in the year that the obligation arises, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

NOTES TO THE ACCOUNTS

When payments are eventually made, they are charged to the provisions carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Provision for Back Pay Arising from Unequal Pay Claims

The Authority implemented an equal pay compliant pay and grading structure from 1st April 2014.

As such the Authority has made provision in respect of claims expected and received in respect of potential payments to date.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

NOTES TO THE ACCOUNTS

xxii. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial assets, retirement and employee benefits and do not represent usable resources for the Authority - these reserves are explained in the relevant policies.

xxiii. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xxiv. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

The Authority undertakes an annual review of its de-minimus VAT position under s33 of the VAT Act 1993 as required by HMRC. For the year ended 31st March 2014 the Authority believes that it will be below the de-minimus level in respect of exempt related input tax and hence will be entitled to recovery of input tax in full.

NOTES TO THE ACCOUNTS

xxv. Carbon Reduction Commitment Allowances

The Authority is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. This scheme ended on 31st March 2014. The Authority is required to purchase and surrender allowances, currently retrospectively, on the basis of emissions i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the Authority is recognised and reported in the costs of the Authority's services and is apportioned to services on the basis of energy costs.

NOTES TO THE ACCOUNTS

2. Accounting standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code) has introduced accounting policy changes in relation to the following -

- IAS 32 Financial Instruments: Presentation
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- Annual Improvements to IFRSs 2009-2011 Cycle

The Code has introduced IAS32 changes regarding the presentation of financial instruments in the statement of accounts. These changes are not a change in accounting policy so they will not require a third Balance Sheet.

The remaining accounting standards to be implemented reflect a change in accounting policy so the Authority may be required to publish a third Balance Sheet for the beginning of the earliest comparative period where the changes adopted in the Authority and Group Accounts are material.

The changes in accounting policy will occur on 1st April 2014, therefore the changes to these standards will be reflected for the first time in the 2014/15 statement of accounts.

3. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:-

- The medium term financial plan approved by the Authority on 18th February 2014 detailed significant ongoing forecast revenue funding shortfalls over the medium term. Current indications are that there will be significant reductions in Revenue and Capital support from Central Government from 2015/16 onwards. Whilst the Authority will consider future spending plans in line with projected funding announcements there is no indication at present that any of the assets of the Authority may be impaired as a result of a need to close facilities and reduce the level of service provision.

NOTES TO THE ACCOUNTS

- The Authority implemented an equality compliant pay and grading structure for its employees from 1st April 2014. At the same time, the Authority continues to face a significant number of claims from past and existing employees based on equal pay grounds. In setting aside reserves and provisions to meet these potential liabilities the Authority is confident that it has sufficient resource to meet outstanding and potential liabilities arising from equal pay issues.

- The Government has announced fundamental changes in respect of the provision of public sector pensions. On 9th March 2012, the Government confirmed details for the new Teachers Pension Scheme to be introduced in 2015, with changes to employee contribution rates from April 2012. These changes did not indicate that the finances of the Authority would be adversely affected by the changes. A re-modelled Local Government Pension scheme was introduced from 1st April 2014 but there is no indication that the finances of the Authority will be adversely affected by any of the changes.

- In line with accounting standards the Authority has made a significant provision in respect of final remedial work and future maintenance/monitoring of its major waste disposal site at Tir John. Assumptions regarding remediation and aftercare costs have been based on legal requirements to monitor the site for a period of 60 years following closure and have been calculated taking into account commitments currently within the Councils Capital Programme.

- The Authority has undertaken a fundamental review in 2012/13 of its Schools portfolio with a view to both rationalising and significantly improving the quality of school premises available across the City and County (21st Century Schools Programme). In the light of this scheme and the outline timescale for implementation, the useful lives of some school buildings have been re-evaluated and considerably reduced from that previously used. The effect of this is to accelerate residual depreciation affecting both the Comprehensive Income and Expenditure Statement and the net book value as shown on the Balance Sheet. As the Schools Programme progresses there is likely to be further re-evaluations and adjustments. No adjustments took place in 2013/14.

4. Assumptions made about the future and other sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet as at 31st March 2014 for which there is a significant risk of material adjustment in the forthcoming year are as follows:-

NOTES TO THE ACCOUNTS

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependant upon assumptions over the specific life expectancy of those assets. As stated in note 3 a review has been undertaken of a significant number of school buildings and in particular the impact of the Councils strategic 21st Century Schools Programme plan for asset replacement.</p> <p>In addition revised useful lives have been applied to a significant number of assets revalued in 2013/14 in line with professional judgement.</p>	<p>To the extent that useful lives have been determined wrongly the result could be:-</p> <p>a) In the event of a further reduction in useful lives there would be an additional charge to revenue and a reduction in the carrying value of the asset.</p> <p>b) In the event that useful lives have been underestimated this would result in a substantially reduced revenue charge and an increase in the carrying value of such assets as and when the useful life is deemed to be extended.</p> <p>In any event the effect of depreciation is reversed out of the Comprehensive Income and Expenditure Statement to have nil effect on the Council taxpayer.</p>
Provisions	<p>The Authority has set aside specific provisions to meet the cost of known equal pay claims and potential costs e.g. outstanding legal claims, grievances and back pay, arising from the introduction of an equality compliant pay and grading structure. The provision is based on the Authority's best estimate of the likely costs of settling the liability.</p> <p>In addition as previously mentioned, the Authority has made a significant capital provision for the future remediation and maintenance of major land refuse disposal sites. Uncertainty arises because of the 60 year timescale for liability on this issue.</p>	<p>The Authority has also set aside reserves to mitigate against any potential additional costs e.g. outstanding legal claims, grievances and back pay, arising in future years from equal pay implementation. The Authority would seek to make good any shortfall in the provision by use of these reserves and / or by applying for capitalisation directions from the Welsh Government.</p> <p>Any shortfall in future years will have to be funded via the capital programme.</p>

NOTES TO THE ACCOUNTS

Item	Uncertainties	Effect if actual results differ from Assumptions
Pension liabilities	The Authority's share of the Local Government pension fund liability as at 31st March 2014 is £480.7m. However, the fund is subject to a triennial valuation which at present reviews the level of employers contributions in order to ensure the long term sustainability of the fund. At the same time, the Government has announced potential changes to the nature and substance of the Local Government Pension Scheme which are likely, if implemented, to lead to an improvement in the position as stated.	The Pension Fund is designed to be sustainable over the long term and it is unlikely that there will be any significant short term impact on the Authority's finances arising from any assumptions currently made or decisions that are likely in the coming financial year.
Insurance Provisions and Reserves	The Authority has set aside provisions to meet contractual excess amounts from known and existing insurance claims. In deciding the level of provision to make in respect of ongoing claims, the Authority has taken advice from its legal advisers and or its contracted loss adjusters. The Authority also maintains an insurance reserve which is used to meet the cost of future unforeseen events based on previous experience.	Should the sums set aside prove insufficient to meet these payments there would be an immediate revenue effect in the year that the available sums were exhausted. Equally, the Authority regularly reviews the level of both provisions and reserves with a view to releasing funds back to revenue if appropriate.

5. Material items of income and expense

a) The Authority has reviewed the mechanism by which it has provided for liabilities arising from both equal pay claims and any potential back pay arising from the current job evaluation exercise. In doing so it has determined that there is now a higher level of assurance in respect of liabilities and that, at the Balance Sheet date, it is appropriate to:-

NOTES TO THE ACCOUNTS

- Reflect the current estimate of liability by way of provision within the Accounts.
- Fund the increase in additional sums provided by way of an additional transfer to reserves previously earmarked for this purpose.

The effect of this is to create a revenue charge within the Comprehensive Income and Expenditure Statement of £2.4m (2012/13 £4.2m), which is reflected in an equal and opposite transfer to earmarked reserves within the Movement in Reserves Statement.

6. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an Authority are required to be paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

NOTES TO THE ACCOUNTS

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and / or the financial year in which this can take place.

2013/14

	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	47,413	26,989	0	0	-74,402
Revaluation losses on Property Plant and Equipment	129	-725	0	0	596
Movement in the fair value of Investment Properties	-7,747	-470	0	0	8,217
Amortisation of intangible assets	507	0	0	0	-507
Capital grants and contributions applied	-31,856	-9,507	0	0	41,363

NOTES TO THE ACCOUNTS

2013/14

	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
Revenue expenditure funded from capital under statute	10,299	0	0	0	-10,299
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	-13,961	-1,380	0	0	15,341
Capital expenditure charged against the General Fund and HRA balances	-4,621	-15,931	0	0	20,552
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-29,081	-9,100	0	38,181	0
Application of grants to capital financing transferred to the Capital Adjustment Account	31,856	9,507	0	-41,363	0
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the loss/gain on disposal to the Comprehensive Income and Expenditure Statement	-2,446	0	6,198	0	-3,752
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	-1,237	0	1,237
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	-3,917	0	3,917

NOTES TO THE ACCOUNTS

2013/14

	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustment primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	18	93	0	0	-111
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 21)	63,960	3,070	0	0	-67,030
Employer's pensions contributions and direct payments to pensioners payable in the year	-37,122	-1,448	0	0	38,570
Adjustment primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-407	-10	0	0	417
Total Adjustments	26,941	1,088	1,044	-3,182	-25,891

NOTES TO THE ACCOUNTS

Restated 2012/13 Comparative Figures

	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	42,892	27,116	0	0	-70,008
Revaluation losses on Property Plant and Equipment	3,698	6	0	0	-3,704
Movement in the fair value of Investment Properties	-822	367	0	0	455
Amortisation of intangible assets	750	0	0	0	-750
Capital grants and contributions applied	-23,033	-9,000	0	0	32,033
Revenue expenditure funded from capital under statute	9,233	0	0	0	-9,233
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	-13,312	-1,423	0	0	14,735
Capital expenditure charged against the General Fund and HRA balances	-3,382	-15,835	0	0	19,217
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-28,142	-9,100	0	37,242	0

NOTES TO THE ACCOUNTS

Restated 2012/13 Comparative Figures

	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Application of grants to capital financing transferred to the Capital Adjustment Account	23,033	9,000	0	-32,033	0
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain on disposal to the Comprehensive Income and Expenditure Statement	-747	0	3,450	0	-2,703
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	-716	0	716
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	-4,962	0	4,962
Adjustment primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	31	93	0	0	-124

NOTES TO THE ACCOUNTS

Restated 2012/13 Comparative Figures

	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 21)	54,994	2,796	0	0	-57,790
Employer's pensions contributions and direct payments to pensioners payable in the year	-33,287	-1,403	0	0	34,690
Adjustment primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-907	5	0	0	902
Total Adjustments	30,999	2,622	-2,228	5,209	-36,602

NOTES TO THE ACCOUNTS

7. Transfers To / From Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2014/15.

	Balance at 1st April 2012 £'000	Transfers Out 2012/13 £'000	Transfers In 2012/13 £'000	Balance at 31st March 2013 £'000	Transfers Out 2013/14 £'000	Transfers In 2013/14 £'000	Balance at 31st March 2014 £'000
General Fund:							
Balances held by schools under the scheme of delegation	5,122	-92	1,469	6,499	0	777	7,276
Primary School Sickness Scheme Reserve	802	-802	637	637	-637	512	512
Capital financing charges reserve	1,708	0	0	1,708	0	0	1,708
Other equalisation reserves	812	0	0	812	0	0	812
Information technology reserves	834	-11	0	823	-184	112	751
Contingency reserve	4,816	-6,715	1,899	0	0	117	117
Development reserves	3,699	-11	428	4,116	-352	681	4,445
Insurance reserves	17,015	-9,132	10,936	18,819	-1,480	253	17,592
Other earmarked revenue reserves	15,600	-8,242	6,150	13,508	-1,238	4,806	17,076
Revenue reserve earmarked to fund future capital expenditure	4,030	-373	1,443	5,100	-1,443	1,040	4,697
Total	54,438	-25,378	22,962	52,022	-5,334	8,298	54,986
HRA:							
Housing Revenue Account	16,058	-2,100	0	13,958	0	9	13,967

NOTES TO THE ACCOUNTS

8. Other Operating Expenditure

2012/13 £'000	2013/14 £'000
854 Community Council precepts	847
14,876 South Wales Police Authority precept	15,865
11,449 Levies and Contributions	11,592
-747 Gains/losses on the disposals of non-current assets	-3,199
26,432	25,105

9. Financing and Investment Income and Expenditure

Restated 2012/13			2013/14		
Gross Exp £'000	Gross Income £'000	Net Exp £'000	Gross Exp £'000	Gross Income £'000	Net Exp £'000
18,274	0	18,274	17,872	0	17,872
					Interest payable and similar charges
57,080	-31,100	25,980	59,670	-33,190	26,480
					Net interest on the net defined benefit liability (asset)
0	-1,095	-1,095	0	-412	-412
					Interest receivable and similar income
394	-5,701	-5,307	553	-13,502	-12,949
					Income and expenditure in relation to investment properties and changes in their fair value
75,748	-37,896	37,852	78,095	-47,104	30,991

The income generated from investment properties during the year amounted to £5.285m and changes to the fair value of investment properties amounted to £8.217m.

10. Taxation and Non Specific Grant Income

2012/13 £'000	2013/14 £'000
-103,105 Council tax income (note 40)	-88,905
-64,518 Non domestic rates (note 41)	-74,941
-235,656 Non-ringfenced government grants	-254,557
-30,024 Capital grants and contributions	-38,732
-433,303	-457,135

NOTES TO THE ACCOUNTS

11. Property, Plant and Equipment Movement on Balances

Movements in 2013/14:

	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant and Equipment £'000
Cost or valuation								
At 1 April 2013	114,593	582,711	30,357	321,470	15,989	7,464	12,099	1,084,683
additions (Cap Exp)	24,981	9,618	4,513	15,470	0	0	19,434	74,016
additions (Other)	0	0	719	0	0	0	0	719
revaluation increases / (decreases) recognised in the Revaluation Reserve	20,276	16,153	-419	0	0	-287	0	35,723
revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	541	0	0	0	0	-73	0	468
impairment losses recognised in the Surplus/Deficit on the Provision of Services	-24,981	-10,077	0	-132	0	0	0	-35,190
derecognition - disposals	0	0	-586	-189	0	0	0	-775
assets reclassified to Held for Sale	-1,583	-295	-74	0	0	-540	0	-2,492

NOTES TO THE ACCOUNTS

Movements in 2013/14:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
reclassifications Cap Ex WIP	0	459	0	2,091	0	0	-2,550	0
other reclassifications	0	275	-94	0	0	-162	0	19
other movements in cost or valuation	157	-1,380	0	0	0	0	0	-1,223
At 31 March 2014	133,984	597,464	34,416	338,710	15,989	6,402	28,983	1,155,948
Accumulated Depreciation and Impairment								
At 1 April 2013	-1,941	-44,113	-18,920	-100,576	-4,276	-170	0	-169,996
depreciation charge	-1,970	-22,409	-3,685	-8,744	-389	-187	0	-37,384
depreciation written out to the Revaluation Reserve	1,624	6,796	419	0	0	128	0	8,967
derecognition - disposals	0	0	586	0	0	0	0	586
other movements in depreciation and impairment	21	24	140	0	0	0	0	185
At 31 March 2014	-2,266	-59,702	-21,460	-109,320	-4,665	-229	0	-197,642

Net Book Value

at 31 March 2013 112,652 538,598 11,437 220,894 11,713 7,294 12,099 914,687

at 31 March 2014 131,718 537,762 12,956 229,390 11,324 6,173 28,983 958,306

NOTES TO THE ACCOUNTS

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
--	-------------------	--------------------------	--	-----------------------	------------------	----------------	---------------------------	-------------------------------------

Comparative Movements in 2012/13:

	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2012	106,567	538,064	29,247	312,587	15,988	2,837	10,598	1,015,888
additions(Cap Exp)	25,303	20,455	2,736	8,434	594	267	10,006	67,795
additions(Other)	0	15	0	0	0	3	0	18
revaluation increases recognised in the Revaluation Reserve	8,898	32,682	-10	0	0	-425	0	41,145
revaluation decreases recognised in the Surplus/Deficit on the Provision of Services	-5	-3,760	-788	0	0	2	0	-4,551
impairment losses/reversals recognised in the Surplus/Deficit on the Provision of Services	-25,303	-9,236	0	-635	-614	0	0	-35,788
Derecognition - Disposals	0	0	-828	0	0	0	0	-828
assets reclassified to Held for Sale	-867	-596	0	0	0	673	0	-790
reclassifications Cap Ex WIP	0	8,038	0	24	21	0	-8,505	-422
other reclassifications	0	-2,927	0	1,155	0	4,107	0	2,335

NOTES TO THE ACCOUNTS

Comparative Movements in 2012/13:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
other movements in cost or valuation	0	-24	0	-95	0	0	0	-119
At 31 March 2013	114,593	582,711	30,357	321,470	15,989	7,464	12,099	1,084,683

Accumulated Depreciation and Impairment								
At 1 April 2012	-1,616	-40,274	-16,568	-92,199	-3,926	-70	0	-154,653
depreciation charge	-1,783	-19,714	-3,914	-8,377	-350	-82	0	-34,220
depreciation written out to the Revaluation Reserve	1,458	15,416	10	0	0	-49	0	16,835
depreciation written out to the Surplus/Deficit on the Provision of Services	0	435	724	0	0	22	0	1,181
Derecognition - Disposals	0	0	828	0	0	0	0	828
other movements in depreciation and impairment	0	24	0	0	0	9	0	33
At 31 March 2013	-1,941	-44,113	-18,920	-100,576	-4,276	-170	0	-169,996

Net Book Value

at 31 March 2013	112,652	538,598	11,437	220,894	11,713	7,294	12,099	914,687
at 1 April 2012	104,951	497,790	12,679	220,388	12,062	2,767	10,598	861,235

NOTES TO THE ACCOUNTS

Capital Commitments

As at 31 March 2014 the Authority has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2014/15 and future years budgeted to cost £19.256m. Similar commitments at 31 March 2013 were £21.799m. The major commitments are:

- Morriston Comprehensive Refurbishment £2.62m
- Burlais new school £6.615m
- Felindre Landscaping £0.706m
- Glyn Vivian Refurbishment £5.124m
- Boulevard Phase 2 roadworks £1.8m
- Brangwyn Hall refurbishment £2.391m.

Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued every five years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The valuation dates for 2013/14 were 30th June 2013, 30th September 2013, 31st December 2013 and 31st March 2014.

12. Heritage Assets

Reconciliation of the Carrying Value of Heritage Assets Held by the Authority.

	Heritage Land, Buildings & Infrastructure	Art & Museums	Memorials	Civic Regalia	Furniture, Fixtures & Fittings	Transport	Archives	Other	Total Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2012	2,239	18,742	135	479	3,179	415	0	36	25,225
Additions	228	323	0	0	0	0	500	0	1,051
Revaluations	0	-180	0	0	0	0	0	0	-180
At 31st March 2013	2,467	18,885	135	479	3,179	415	500	36	26,096

NOTES TO THE ACCOUNTS

	Heritage Land, Buildings & Infrastructure	Art & Museums	Furniture, Fixtures & Fittings	Other	Total Assets
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1st April 2013	2,467	18,885	3,179	36	26,096
Additions	22	0	0	0	22
Revaluations	0	9	0	0	9
At 31st March 2014	0	0	3,179	0	26,127

Heritage Assets included above :-

Heritage Land, Buildings and Infrastructure

Asset	Valuation method	Date	(C) / (V)
Oystermouth Castle	Capital program works	2005/2009/2013	(C)
Swiss Cottage in Singleton Park	Authority's internal RICS valuer	June 2011	(V)
Slip Bridge Deck on the promenade	Capital program	2005/2009	(C)
Canteen Building at former Yorkshire Imperial	Authority's internal RICS valuer	March 2012	(V)
Mushgrove Engine House and adjacent chimney stack	Authority's internal RICS valuer	March 2012	(V)
Land & Ruin of Morris Castle at Cnapllwyd, Morriston	Authority's internal RICS valuer	December 2012	(V)

Art & Museums

Asset	Valuation method	Date	(C) / (V)
Exhibitions within Swansea Museum Services	Bonhams and	March 2013	(V)
	Gwenllian Ashley	June 2012	(V)
Brangwyn Hall Panels	Sotheby's	March 2012	(V)
Other Sculptures, Busts and Paintings	Bonhams	January 2012	(V)

NOTES TO THE ACCOUNTS

Memorials

Asset	Valuation method	Date	(C) / (V)
Cenotaph including surrounding walls	Capital program works	2005	(C)
Monument to the Air Defence of Swansea 1939-1945	Claims Connection	March 2012	(V)

Civic Regalia

Asset	Valuation method	Date	(C) / (V)
Lord Mayors Chain	Sotheby's	March 2009	(V)
Lord Mayors - Other Civic Regalia	A G Grist	February 2012	(V)
	Sotheby's	March 2007	

Furniture, Fixtures & Fittings

Asset	Valuation method	Date	(C) / (V)
Guildhall general building fixtures	A Grist	February 2012	(V)
Guildhall Lord Mayors & Committee Room Civic furniture	A Grist	February 2012	(V)
Guildhall Civic Lighting	Polesco	March 2012	(V)
Brangwyn Hall Organ	Clevedon Organs Ltd	March 2012	(V)

Transport

Asset	Valuation method	Date	(C) / (V)
Olga - Sailing Barge	D Cox	March 2012	(V)
Helwick - Light Ship	Authority's internal museums valuer	March 2011	(V)
Canning - Tug Boat	Authority's internal museums valuer	March 2011	(V)

Archives

Asset	Valuation method	Date	(C) / (V)
West Glamorgan Archives: Major	Bernard Quaritch Ltd	January 2013	(V)
West Glamorgan Archives: Owned collections	Authority's internal County Archivist	March 2013	(V)

Other

Asset	Valuation method	Date	(C) / (V)
Silverware	Bonhams	January 2012	(V)
Clocks	Bonhams	January 2012	(V)
Glassware	Bonhams	January 2012	(V)

(C) - Asset valued at Cost, (V) Expert valuation of asset for insurance purposes

NOTES TO THE ACCOUNTS

	2013/14	2012/13
Additions of Heritage Assets 2013/14	£'000	£'000
Oystermouth Castle enhancement	22	228
West Glamorgan Archives: Major deposited collections	0	216
West Glamorgan Archives: Owned collections	0	284
Swansea Museum Costume Collection	0	23
Items situated at & insured by National Museum Wales, Cardiff	0	300
	22	1,051

13. Investment Properties

The following items of income and expenses have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2012/13	2013/14
	£'000	£'000
5,700 Rental income from investment property		5,285
Direct operating expenses arising from investment property		
-545 property		-553
5,155 Net gain		4,732

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

	2012/13	2013/14
	£'000	£'000
115,580 Balance at start of the year		114,202
Additions:		
153 - Purchases		533
799 - Construction (Current)		162
407 - Construction (WIP - b/f)		0
-903 Disposals		-837
455 Net gains/losses from fair value adjustments		8,217
Transfers:		
-2,343 - to/from Property, Plant and Equipment		0
54 Other changes		-114
114,202 Balance at end of the year		122,163

NOTES TO THE ACCOUNTS

14. Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are:

<u>Purchased Licences</u>		<u>Other IT software</u>	
Windows Licences	4 years	Payroll Development	5 years
Paris Software	5 years		
Oracle Licences	10 years		

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £507k charged to revenue in 2013/14 was charged to the IT Administration cost centre and then absorbed as an overhead across all the service headings in the Cost of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on Intangible Asset balances during the year is as follows:

2012/13 £'000		2013/14 £'000
	Balance at start of year:	
4,215	- Gross carrying amounts	4,430
-2,070	- Accumulated amortisation	-2,820
2,145	Net carrying amount at start of year	1,610
	Additions:	
215	- Purchases during year	103
-750	Amortisation for the period	-507
0	Other changes	-18
1,610	Net carrying amount at end of year	1,188
	Comprising:	
4,430	- Gross carrying amounts	4,515
-2,820	- Accumulated amortisation	-3,327
1,610		1,188

NOTES TO THE ACCOUNTS

15. Financial Instruments

The notes on financial instruments on the following pages are the requirement of the code. IFRS requires for the restatement of nominal amounts for loans and investments to include for example the spread cost of premium / discounts and using equivalent interest rates instead of actual stepped interest rates in the case of 'amortised cost' and also the restatement of the nominal values of the loans and investments if they were to be refinanced in the market at 31st March 2014 in the 'fair value' disclosure.

TYPES OF FINANCIAL INSTRUMENTS

TABLE 1 – FINANCIAL INSTRUMENT BALANCES

	Long-Term		Short-Term		Total	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013	31st March 2014	31st March 2013
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowings						
Financial liabilities at amortised cost	312,188	320,101	12,367	11,688	324,555	331,789
Total included in Borrowings	312,188	320,101	12,367	11,688	324,555	331,789
Creditors						
Financial liabilities carried at contract amount	3,589	3,484	55,921	50,473	59,510	53,957
Total included in Creditors	3,589	3,484	55,921	50,473	59,510	53,957
Investments						
Loans and receivables	24	24	34,065	61,153	34,089	61,177
Financial Assets at Fair Value through Profit or Loss	0	0	2,105	22,571	2,105	22,571
Unquoted equity investment at cost	50	50	0	0	50	50
Total Investments	74	74	36,170	83,724	36,244	83,798
Debtors						
Loans and receivables	767	767	0	0	767	767
Financial assets carried at contract amount	974	139	55,692	54,051	56,666	54,190
Total Debtors	1,741	906	55,692	54,051	57,433	54,957

Note - Lender Option / Borrower Option Loans (LOBO's) of £40m (2012/13 £58m) have been included in long term borrowing but have an option date in the next 12 months.

NOTES TO THE ACCOUNTS

The Authority holds a one third shareholding (£50,000 'A' shares) in the Swansea Stadium Management Company Limited, a joint venture between the Authority, Swansea City Association Football Club Limited and Ospreys Rugby Limited. The purpose of the company is to run the Liberty Stadium, a purpose built stadium for major sporting events in Swansea. Under the terms of the joint venture agreement between the parties, the nature of the Authority's shareholding is such that it has an ultimate casting vote on any resolution relating to:-

- a) The removal from office of any director,
- b) The use of the Stadium (or any part of it) for purposes not permitted by the Head Lease,
- c) A matter which, if implemented or omitted to be done, would in the proper opinion of the 'A' shareholder be likely to result in either:-
 - Material prejudice to the trading and / or financial position or prospects of the company or
 - A breach of law by the company.

The nature of the joint venture agreement restricts the potential for the sale of shares and the value at which they must be offered and as such it is not possible to place a value on the shareholding other than the initial investment value.

INCOME, EXPENSE, GAINS AND LOSSES

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

TABLE 2 – FINANCIAL INSTRUMENTS GAINS/LOSSES

2013/14	Financial Liabilities	Financial Assets		
	Liabilities measured at amortised cost	Loans and receivables	Fair value through profit or loss	Total
	£'000	£'000	£'000	£'000
Interest expense	17,814	0	0	17,814
Losses on Derecognition	0	0	-247	-247
Reductions in Fair Value	0	0	-20	-20
Fee Expense	0	0	-25	-25
Total Expense in Surplus or Deficit on the Provision of Services	17,814	0	-292	17,522

NOTES TO THE ACCOUNTS

2013/14	Financial Liabilities	Financial Assets		
	Liabilities measured at amortised cost £'000	Loans and receivables £'000	Fair value through profit or loss £'000	Total £'000
Interest income	0	562	261	823
Gains on Derecognition	0	0	4	4
Total Income in Surplus or Deficit on the Provision of Services	0	562	265	827
Net gain/(loss) for the year	17,814	562	-27	18,349

2012/13 Comparative Table	Financial Liabilities	Financial Assets		
	Liabilities measured at amortised cost £'000	Loans and receivables £'000	Fair value through profit or loss £'000	Total £'000
Interest expense	18,151	0	0	18,151
Losses on Derecognition	0	0	-114	-114
Reductions in Fair Value	0	0	-22	-22
Fee Expense	0	0	-10	-10
Total Expense in Surplus or Deficit on the Provision of Services	18,151	0	-146	18,005
Interest income	0	951	316	1,267
Gains on Derecognition	0	0	0	0
Total Income in Surplus or Deficit on the Provision of Services	0	951	316	1,267
Net gain/(loss) for the year	18,151	951	170	19,272

NOTES TO THE ACCOUNTS

FAIR VALUES OF ASSETS AND LIABILITIES

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

Methods and Assumptions in valuation technique

The fair value of an instrument is determined by calculating the net present value of future cash flows, which provides an estimate of the value of payments in the future in today's terms.

The discount rate used in the Net Present Value calculation is the rate applicable in the market on the date of valuation for an instrument with the same structure, terms and remaining duration. For debt, this will be the new borrowing rate since premature repayment rates include a margin which represents the lender's profit as a result of rescheduling the loan; this is not included in the fair value calculation since any motivation other than securing a fair price should be ignored.

The rates quoted in this valuation were obtained by our treasury management consultants from the market on 31st March 2014, using bid prices where applicable.

The calculations are made with the following assumptions:

- estimated ranges of interest rates at 31 March 2014 of 1.26% to 4.33% for loans from the PWLB and 4.35% to 4.46% for other loans receivable and payable, based on new lending rates for equivalent loans at that date.
- We have used interpolation techniques between available rates where the exact maturity period was not available.
- No early repayment or impairment is recognised.
- We have calculated fair values for all instruments in the portfolio, but only disclose those which are materially different from the carrying value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values are calculated as follows:

TABLE 3 – FAIR VALUE OF LIABILITIES CARRIED AT AMORTISED COST

	31st March 2014		31st March 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Financial liabilities	324,555	372,888	331,789	402,286
Creditors	59,510	59,510	53,957	53,957

NOTES TO THE ACCOUNTS

Fair value is sometimes more than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. The commitment to pay interest below current market rates reduces the amount that the Authority would have to pay if the lender requested or agreed to early repayment of the loans.

TABLE 4 – FAIR VALUE OF ASSETS CARRIED AT AMORTISED COST

	31st March 2014		31st March 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000s	£000s	£000s	£000s
Loans and receivables	34,089	34,063	61,377	61,393
Debtors	58,200	55,724	54,957	54,957

The fair value is lower than the carrying amount because the Authority's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is lower than the rates available for similar loans at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2014) attributable to the commitment to receive interest below current market rates.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority's activities expose it to a variety of financial risks:

- credit risk - the possibility that other parties might fail to pay amounts due to the Authority.
- liquidity risk - the possibility that the Authority might not have funds available to meet its commitments to make payments.
- market risk - the possibility that financial loss might rise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council in the Annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

1. Credit Risk

Credit risk arises from deposits with banks, building societies and other local authorities as well as credit exposures to the Authority's customers.

NOTES TO THE ACCOUNTS

The risk is managed through the Annual Investment Strategy which outlines the minimum credit criteria required for the Authority to make an investment which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

The full details of the credit criteria are outlined in the previously published Treasury Management Strategy report available on the Council's website.

The Authority's maximum exposure to credit risk to financial institutions of £87m cannot be assessed generally as risks are specific to each institution. The risk of irrecoverability applies to all investments, however there was no evidence at 31/3/14 that this was likely to crystallise.

The following analysis summarises the Authority's potential maximum exposure to credit risk, based on past experience and current market conditions. The Authority considers for impairment all of its financial instruments annually. No credit limits were exceeded during the financial year and the Authority expects full repayment on the due date of deposits placed with its counterparties.

TABLE 5 – CREDIT RISK (A)

	Amounts at 31 March 2014 £'000	Historical experience of default 31 March 2014 %	Historical experience adjusted for market conditions as at 31 March 2014 %	Estimated maximum exposure to default and uncollectability 31 March 2014 £'000	Estimated maximum exposure 31 March 2013
Bonds and other securities	0	0.00	0.00	0	0
Customers	57,433	9.30	10.24	5,884	5,036
Total	57,433			5,884	5,036

The Authority does not generally allow credit for customers such that £9.5m of the £60m balance is past its due date for payment. The amount can be analysed as follows

	31-Mar-14	31-Mar-13
less than 3 months	5,964	5,265
3 to 6 months	59	435
6 months to 1 year	1,098	815
more than 1 year	2,421	2,790
	9,542	9,305

NOTES TO THE ACCOUNTS

2. Liquidity Risk

The Authority has a cashflow management system to ensure cash is available when needed. If unexpected movements happen, the Authority has ready access to the money markets and the PWLB. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The risk may be bound to replenish a proportion of its borrowings at times of unfavourable interest rates. The Authority sets limits on the proportion of its fixed borrowing during specific periods and seeks to ensure an even maturity profile through a combination of planning when to take new loans and where economic when to make early repayments.

The maturity structure of financial liabilities at nominal value is as follows (liability figure per Table 1 includes accrued interest on PWLB and LOBOs of £5,523k (prior year £5,597k):

TABLE 6 – LIQUIDITY RISK

On 31 March 2013	Loans outstanding	On 31 March 2014
£'000		£'000
60,847	Less than 1 year	63,972
7,913	Between 1 and 2 years	6,778
12,477	Between 2 and 5 years	9,289
4	Between 5 and 10 years	3
298,500	More than 10 years	298,500
379,741	Total	378,542

In the more than 10 years category there are £40m (31 March 2013 £58m) of LOBOs which have a call date in the next 12 months.

3. Market Risk

Interest rate risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. A rise in interest rates would have the following effects:

borrowings at variable rates- the interest expense charged to the surplus or deficit on the provision of services will rise

borrowings at fixed rates- the fair value of the liabilities borrowings will fall

investments at variable rates - the interest income credited to the surplus or deficit on the provision of services will rise

investments at fixed rates - the fair value of the assets will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the Provision of Services or other comprehensive income and expenditure. However changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the general fund balance.

NOTES TO THE ACCOUNTS

The Authority has a number of strategies for managing interest rate risk. The policy is to aim to keep a maximum of 40% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Authority's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to inform budget monitoring during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2014, if interest rates had been 1% higher than market rate with all other variables held constant, the financial effect would be:

TABLE 7 – INTEREST RATE RISK

	2012/13	2013/14
	£'000	£'000
Increase in interest payable on variable rate borrowings	580	400
Increase in interest receivable on variable rate investments	0	0
Increase in government grant receivable for financing costs	0	0
Impact on Surplus or Deficit on the Provision of Services	580	400
Share of overall impact debited to the Housing Revenue Account	109	72
Decrease in fair value of fixed rate investment assets	81	54
Impact on Other Comprehensive Income and Expenditure	81	54
Decrease in fair value of fixed rate borrowing liabilities (no impact on the Surplus or Deficit on the Provision of Services or other comprehensive I&E)	58,175	52,702

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Price Risk

The Authority does not generally invest in equity shares but does have an equity shareholding of £50k in the stadium management company where its holding has been valued at cost as no reliable fair value can be obtained.

NOTES TO THE ACCOUNTS

Financial Instruments Adjustment Account

31/03/2013	31/03/2014
£'000	£'000
-1,191 Balance brought forward	-1,321
164 PWLB Premia amortisation	164
-297 PWLB Discounts amortisation	-285
9 LOBO equivalent interest rate amortisation	10
-6 Notional advances right to buy sales	-2
<u>-1,321 Published Balance as at 31st March</u>	<u>-1,434</u>

Analysis of Borrowing

31/03/2013 Sources of borrowing	31/03/2014
£'000	£'000
220,304 Public Works Loan Board	212,981
99,207 Money market	99,207
590 Local Bonds and Internal Mortgages	0
<u>320,101 Total borrowing greater than one year</u>	<u>312,188</u>
1 Stock issues	1
10,267 Public Works Loans Board	11,233
406 Money market	406
4 Local bonds & internal mortgages	4
1,010 Temporary loans	723
<u>11,688 Total borrowing less than one year</u>	<u>12,367</u>
<u>331,789</u>	<u>324,555</u>

Maturity dates for the repayment of loans

31/03/2013	31/03/2014
£'000	£'000
1,010 Temporary loans up to 1 year	723
Long term debt maturing within:-	
10,272 1 year	11,238
7,913 1 - 2 years	3,189
12,477 2 – 5 years	9,289
4 5 -10 years	3
300,113 Over 10 years	300,113
<u>331,789</u>	<u>324,555</u>

NOTES TO THE ACCOUNTS

16. Short Term Debtors

31st March 2013	31st March 2014
£'000	£'000
32,566 Central government bodies	33,798
1,274 Other local authorities	4,778
2,154 NHS bodies	2,730
4 Public corporations and trading funds	73
19,817 Other entities and individuals	15,548
1,479 Payments In Advance	1,290
57,294 Total	58,217

17. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31st March 2013	31st March 2014
£'000	£'000
152 Cash held by the Authority	131
27,261 Bank current accounts	64,596
27,413 Total Cash and Cash Equivalents	64,727

18. Assets Held for Sale

All of the assets held for sale have been classified as current assets.

2012/13	2013/14
£'000	£'000
2,487 Balance outstanding at start of year	1,269
-154 Revaluation gains/losses	-198
Assets classified as held for sale:	
735 - Property, Plant and Equipment	2,606
-1,799 Assets sold	-2,910
1,269 Balance outstanding at year end	767

19. Creditors

31st March 2013	31st March 2014
£'000	£'000
5,867 Central government bodies	10,804
5,681 Other local authorities	5,168
549 NHS bodies	676
592 Public corporations and trading funds	542
37,784 Other entities and individuals	37,977
5,487 Receipts In Advance	7,543
55,960 Total	62,710

NOTES TO THE ACCOUNTS

20. Provisions

2013/14

Short - term

	Outstanding Legal Cases £'000	Injury and Damage Compensation Claims £'000	Employee Benefits £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2013	0	3,557	32,040	2,340	37,937
Additional provisions made in 2013/14	0	3,122	143	1,266	4,531
Amounts used in 2013/14	0	-2,953	-7,727	-726	-11,406
Unused amounts reversed in 2013/14	0	0	0	-1,150	-1,150
Balance at 31 March 2014	0	3,726	24,456	1,730	29,912

Long - term

	Outstanding Legal Cases £'000	Injury and Damage Compensation Claims £'000	Employee Benefits £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2013	219	4,437	0	9,863	14,519
Additional provisions made in 2013/14	0	2,147	14	24	2,185
Amounts used in 2013/14	-4	-1,601	0	-492	-2,097
Unused amounts reversed in 2013/14	0	0	0	-189	-189
Balance at 31 March 2014	215	4,983	14	9,206	14,418

Outstanding Legal Cases

The Authority has incurred legal costs in defending its position across a number of issues and will seek to defray those costs against third parties if appropriate. To the extent that this is considered unlikely this provision is intended to quantify and provide for the expected extent of irrecoverable costs.

NOTES TO THE ACCOUNTS

Injury and Damage Compensation Claims

This is in respect of excess charges and uninsured costs on all known outstanding insurance claims made against the Authority in respect of all injury and compensation claims outstanding at the Balance Sheet date.

Employee Benefits

This is in respect of the potential costs of settling all reasonably expected equal pay compensation claims as they exist at the Balance Sheet date on the basis that pending the implementation of an equal pay compliant pay structure a significant element of the potential liability will be settled by way of compensation payment rather than as backpay. It is envisaged the majority of this will be settled within 1 - 2 years.

Other Provisions

These amounts are to cover a variety of potential liabilities including land compensation claims following compulsory purchase, potential sums arising out of grant reclaims and obsolete stock. Other provisions include a significant capital provision (£7.25m) for the future remediation and maintenance of major land refuse disposal sites. Of the £7.25m, £1.25m is likely to be settled with the next ten years and the remaining £6m over the next sixty years.

21. Unusable Reserves

31st March 2013 £'000	31st March 2014 £'000
167,061 Revaluation Reserve	202,928
512,649 Capital Adjustment Account	525,447
-1,321 Financial Instruments Adjustment Account	-1,434
-625,600 Pensions Reserve	-480,700
-7,687 Accumulated Absences Account	-7,270
45,102 Total Unusable Reserves	238,971

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

NOTES TO THE ACCOUNTS

2012/13	2013/14
£'000	£'000
114,960 Balance at 1st April	167,061
Upward revaluation of assets -	
46,089 Cost	39,676
15,471 Depreciation	7,809
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services -	
-3,948 Cost	-2,270
1,362 Depreciation	1,159
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	46,374
Difference between fair value depreciation and historical cost depreciation	-8,953
-769 Accumulated gains on assets sold or scrapped	-1,554
-91 Transfer of Investment Property Revaluation Reserve	0
-6,873 Amount written off to the Capital Adjustment Account	-10,507
167,061 Balance at 31st March	202,928

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 6 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

NOTES TO THE ACCOUNTS

2012/13		2013/14
£'000		£'000
520,057	Balance at 1st April	512,649
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
-70,008	Charges for depreciation and impairment of non-current assets	-74,402
-3,704	Revaluation losses on Property, Plant and Equipment	596
-750	Amortisation of intangible assets	-507
-9,234	Revenue expenditure funded from capital under statute	-10,299
	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	
<u>-2,703</u>		<u>-3,724</u>
-86,399		-88,336
<u>6,873</u>	Adjusting amounts written out of the Revaluation Reserve	<u>10,507</u>
	Net written out amount of the cost of non-current assets consumed in the year	
-79,526		-77,829
	Capital financing applied in the year:	
	Use of the Capital Receipts Reserve to finance new capital expenditure	
5,678		5,154
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	
32,033		41,363
	Statutory provision for the financing of the capital investment charged against the General Fund and HRA balances	
14,735		15,341
	Capital expenditure charged against the HRA and General Fund balances	
<u>19,217</u>		<u>20,552</u>
71,663		82,410

NOTES TO THE ACCOUNTS

2012/13 £'000	2013/14 £'000
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	8,217
512,649 Balance at 31st March	525,447

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

2012/13 £'000	2013/14 £'000
-1,191 Balance at 1st April	-1,321
Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	-121
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	8
-1,321 Balance at 31st March	-1,434

NOTES TO THE ACCOUNTS

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Restated	2013/14
2012/13	£'000
£'000	£'000
-565,480 Balance at 1st April	-625,600
-37,020 Remeasurements of the net defined benefit liability/(asset)	174,850
0 Net increase in assets & liabilities from disposals / acquisitions	-1,490
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services	
-56,890 in the Comprehensive Income and Expenditure Statement	-63,640
-900 Past service cost adjustment	-3,390
Employer's pensions contributions and direct payments to pensioners payable in the year	
<u>34,690</u>	<u>38,570</u>
<u><u>-625,600</u></u> Balance at 31st March	<u><u>-480,700</u></u>

NOTES TO THE ACCOUNTS

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2012/13	2013/14
£'000	£'000
-8,589 Balance at 1st April	-7,687
Settlement or cancellation of accrual made	
8,589 at the end of the preceding year	7,687
Amounts accrued at the end of the current	
-7,687 year	-7,270
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	417
-7,687 Balance at 31st March	-7,270

22. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2012/13	2013/14
£'000	£'000
1,452 Interest received	412
-18,341 Interest paid	-17,872
-16,889	-17,460

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

Restated	2013/14
2012/13	£'000
£'000	£'000
70,008 Depreciation	74,402
3,249 Impairment and downward revaluations	-8,813
750 Amortisation	507
668 Increase in creditors	8,342
-4,549 Increase in debtors	-6,709
-273 (Increase)/decrease in inventories	212
23,100 Movement in pension liability	28,460

NOTES TO THE ACCOUNTS

Restated 2012/13 £'000	2013/14 £'000
Carrying amount of non-current assets and non-current	
-2,703 assets held for sale, sold or de-recognised	-3,724
Other non-cash items charged to the net surplus or deficit on	
11,932 the provision of services	-7,253
102,182	85,424

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2012/13 £'000	2013/14 £'000
Any other items for which the cash effects are investing or	
-37,242 financing cash flows	-38,201
-37,242	-38,201

23. Cash Flow Statement - Investing Activities

2012/13 £'000	2013/14 £'000
-66,021 Purchase of property, plant and equipment, investment	-75,216
property and intangible assets	
-874,516 Purchase of long and short term investments	-580,589
3,450 Proceeds from the sale of property, plant and equipment,	6,198
investment property and intangible assets	
888,389 Proceeds from short-term and long-term investments	628,135
37,759 Other receipts from investing activities	43,152
-10,939 Net cash flows from investing activities	21,680

24. Cash Flow Statement - Financing Activities

2012/13 £'000	2013/14 £'000
3,541 Cash receipts of short and long-term borrowing	0
-28,950 Repayments of short and long-term borrowing	-7,234
-25,409 Net cash flows from financing activities	-7,234

NOTES TO THE ACCOUNTS

25. Amounts Reported For Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. However, decisions about resource allocation are taken by the Authority's Cabinet on the basis of budget reports analysed across directorates. These reports are prepared on a different basis from the accounting policies used in the financial statements.

In particular:

- No charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve are charged to services in the Comprehensive Income and Expenditure Statement). Revenue expenditure funded from capital under statute (REFCUS) is also charged to services in the Comprehensive Income and Expenditure Statement.
- Gains or losses on the disposal of non-current assets are not charged. They are charged to the Comprehensive Income and Expenditure Statement.
- The cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year (IAS19).
- No accruals are charged for employee benefits. Employee benefits accruals are charged to services in the Comprehensive Income and Expenditure Statement.
- expenditure on some support services is budgeted for centrally and not charged to directorates.

The income and expenditure of the Authority's directorates recorded in the budget reports for the year is as follows:

	Director of Place £'000	Director of Corporate Services £'000	Director of People - Education £'000	Director of People - Social Services £'000	Director of People - Poverty & Prevention £'000	Housing Revenue Account £'000	Total £'000
Directorate Income and Expenditure							
2013/14							
Employee expenses	67,095	28,829	155,318	47,973	7,801	9,454	316,470
Premises	20,125	204	8,219	1,507	476	12,774	43,305
Transport	16,897	147	8,846	2,215	173	271	28,549
Supplies & Services	125,203	13,242	30,587	24,426	1,761	1,798	197,017
Other Costs	-76,173	102,533	9,241	72,968	5,629	7,385	121,583
Total Expenditure	153,147	144,955	212,211	149,089	15,840	31,682	706,924
Fees, charges & other service income	-58,709	-4,167	-19,310	-24,872	-376	-51,444	-158,878
Government grants	-36,405	-93,605	-29,488	-17,907	-12,030	-485	-189,920
Total Income	-95,114	-97,772	-48,798	-42,779	-12,406	-51,929	-348,798
Net Expenditure	58,033	47,183	163,413	106,310	3,434	-20,247	358,126

NOTES TO THE ACCOUNTS

	Director of Place £'000	Director of Corporate Services £'000	Director of People - Education £'000	Director of People - Social Services £'000	Director of People - Poverty & Prevention £'000	Housing Revenue Account £'000	Total £'000
Directorate Income and Expenditure							
Restated 2012/13 Comparative Figures							
Employee expenses	65,632	26,902	152,463	47,174	6,341	9,472	307,984
Premises	19,952	251	9,185	1,570	341	12,869	44,168
Transport	16,179	137	8,627	2,060	156	290	27,449
Supplies & Services	137,381	14,227	30,779	26,340	1,447	1,512	211,686
Other Costs	-86,847	100,443	7,531	72,985	5,211	7,133	106,456
Total Expenditure	152,297	141,960	208,585	150,129	13,496	31,276	697,743
Fees, charges & other service income	-75,601	-4,801	-19,763	-23,482	-328	-49,533	-173,508
Government grants	-19,227	-110,484	-32,980	-22,469	-10,350	-485	-195,995
Total Income	-94,828	-115,285	-52,743	-45,951	-10,678	-50,018	-369,503
Net Expenditure	57,469	26,675	155,842	104,178	2,818	-18,742	328,240

The 2012/13 Directorate Income and Expenditure figures have been restated following the Council's Senior management restructure.

Reconciliation of Directorate Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	Restated	
	2012/13	2013/14
	£'000	£'000
Net expenditure in the Directorate Analysis	328,240	358,126
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	101,168	99,958
	<u>429,408</u>	<u>458,084</u>
Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement	-29,030	-32,690
Cost of Services in Comprehensive Income and Expenditure Statement	<u>400,378</u>	<u>425,394</u>

NOTES TO THE ACCOUNTS

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

	Directorate Analysis £'000	Amounts not reported to management for decision making £'000	Amounts not included in I & E £'000	Cost of Services £'000	Corporate Amounts £'000	Total £'000
2013/14						
Fees, charges & other service income	-158,878	33,645		-125,233	-46,695	-171,928
Interest and investment income				0	-412	-412
Income from council tax				0	-88,905	-88,905
Government grants and contributions	-189,920	714		-189,206	-368,230	-557,436
Total Income	-348,798	34,359	0	-314,439	-504,242	-818,681
Employee expenses	316,470	34,253	-32,690	318,033	15	318,048
Premises	43,305			43,305	527	43,832
Transport	28,549			28,549		28,549
Supplies & Services	197,017			197,017	11	197,028
Other Costs	121,583	-42,648		78,935	59,674	138,609
Depreciation, amortisation and impairment		73,994		73,994		73,994
Interest Payments				0	17,872	17,872
Precepts & Levies				0	28,304	28,304
Gain or Loss on Disposal of Non Current Assets				0	-3,200	-3,200
Total Expenditure	706,924	65,599	-32,690	739,833	103,203	843,036
Surplus or Deficit on the Provision of Services	358,126	99,958	-32,690	425,394	-401,039	24,355

NOTES TO THE ACCOUNTS

	Directorate Analysis £'000	Amounts not reported to management for decision making £'000	Amounts not included in I & E £'000	Cost of Services £'000	Corporate Amounts £'000	Total £'000
Restated 2012/13 Comparative Figures						
Fees, charges & other service income	-173,508	26,593	0	-146,915	-5,701	-152,616
Interest and investment income	0	0	0	0	-1,095	-1,095
Income from council tax	0	0	0	0	-103,105	-103,105
Government grants and contributions	-195,995	0	0	-195,995	-330,198	-526,193
Total Income	-369,503	26,593	0	-342,910	-440,099	-783,009
Employee expenses	307,984	25,248	-29,030	304,202	0	304,202
Premises	44,168	0	0	44,168	-102	44,066
Transport	27,449	0	0	27,449	0	27,449
Supplies & Services	211,686	12	0	211,698	496	212,194
Other Costs	106,456	-25,148	0	81,308	25,980	107,288
Depreciation, amortisation and impairment	0	74,463	0	74,463	0	74,463
Interest Payments	0	0	0	0	18,274	18,274
Precepts & Levies	0	0	0	0	27,179	27,179
Gain or Loss on Disposal of Non Current Assets	0	0	0	0	-747	-747
Total Expenditure	697,743	74,575	-29,030	743,288	71,080	814,368
Surplus or Deficit on the Provision of Services	328,240	101,168	-29,030	400,378	-369,019	31,359

NOTES TO THE ACCOUNTS

26. Trading Operations

In accordance with the Service Reporting Code of Practice (SeRCOP) which has been issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) the Authority undertakes a number of activities which are defined as trading activities within the meaning of the Code.

All the Authority's trading operations are an integral part of one of the Authority's services to the public and are incorporated into the Comprehensive Income and Expenditure Statement.

2013/14

	Turnover	Expenditure	Surplus/- Deficit
	£'000	£'000	£'000
Car Parks	3,849	2,804	1,045
Grand Theatre	3,324	4,942	-1,618
Indoor Market	1,107	784	323
Catering	5,880	6,124	-244
Trade Waste	2,422	1,525	897
Swansea Marina	1,117	1,257	-140
	<u>17,699</u>	<u>17,436</u>	<u>263</u>

2012/13

	Turnover	Expenditure	Surplus/- Deficit
	£'000	£'000	£'000
Car Parks	3,779	3,169	610
Grand Theatre	3,323	5,056	-1,733
Indoor Market	1,126	701	425
Catering	5,568	5,315	253
Trade Waste	2,343	1,555	788
Swansea Marina	1,046	1,198	-152
	<u>17,185</u>	<u>16,994</u>	<u>191</u>

The Authority provides and operates over fifty car parks. These include both multi-storey and surface car parks, mainly in the city centre and on the coast, and some serve specific destinations. The customers are mainly individual shoppers, workers, visitors, and leisure venue users. Prices are set at commercial market rates and the service generates a significant surplus which will help to fund other council services.

The Authority provides and operates the Grand Theatre in the city centre. It forms a central part of the City's cultural service, and stages a wide variety of performances throughout the year, both for local and regional residents and visitors. The Theatre's customers are mainly individual theatre goers although the venue is also hired out to groups. Ticket prices are set at market rates in conjunction with the companies providing shows, although this requires a significant subsidy from the Authority.

NOTES TO THE ACCOUNTS

The Authority provides Swansea Indoor Market, and manages and lets the stalls which currently number about one hundred. The stalls can be let on both a permanent long term and casual basis. Rents are set at commercial market rates, and as well as providing a unique and historic shopping facility, the market generates a significant surplus which helps to fund other council services.

The Catering Service is responsible for the provision of school meals in all schools within the City and County of Swansea, except two secondaries who have arranged their own caterers. The service also provides some in-house catering facilities at some Council facilities but this activity is incidental to the overall operation. The service is fully traded and expected to break even. The increased costs from implementing Living Wage has impacted upon profitability this year. The operation delivers the Authority's statutory duty to make a school meal provision at each school.

The Authority operates a waste and recycling collection service to about two thousand businesses throughout the area. It also collects and disposes of refuse from the Authority's own buildings and services. Prices are set at commercial rates and the operation generates a significant surplus which helps to fund the Authority's other waste services.

The Authority provides and operates the Swansea Marina which forms a central part of the City's redeveloped and award winning Maritime Quarter. It has over five hundred berths available for both short and long term hire, and provides a full marina service. Prices are set at commercial market rates with the aim of covering the direct costs of operating the service.

27. Members' Allowances

The Authority paid the following amounts to members of the Council during the year.

2012/13	2013/14
£'000	£'000
1,325 Allowances	1,253
13 Expenses	3
<u>1,338</u> Total	<u>1,256</u>

NOTES TO THE ACCOUNTS

28. Officers' Remuneration

(a) The number of employees (excluding Senior Officers) whose remuneration (excluding employer's pension contributions) was £60,000 or more, in bands of £5,000, were:

2012/13	Remuneration Band	2013/14
Number of employees		Number of employees
25	£60,000 - £64,999	33
10	£65,000 - £69,999	13
6	£70,000 - £74,999	5
5	£75,000 - £79,999	4
3	£80,000 - £84,999	3
3	£85,000 - £89,999	2
1	£90,000 - £94,999	1
0	£95,000 - £99,999	1
1	£100,000 - £104,999	1
1	£105,000 - £109,999	1
<u>55</u>	<u>Total</u>	<u>64</u>

The numbers shown relate to Authority employees which include teaching staff. Seniors Officers' remunerations are shown in the tables on the following pages.

(b) Payments made to the Chief Executive (J.Straw) is comprised of the following components:

	2013/14 (£)	2012/13 (£)
Salary	140,000	140,000
Expense Allowances	0	0
Total remuneration excluding pension contributions	140,000	140,000
Employers pension contributions	20,907	30,940
Total remuneration including pension contributions	<u>160,907</u>	<u>170,940</u>

NOTES TO THE ACCOUNTS

(c) The following tables set out the remuneration for Senior Officers whose salary is less than £150,000 but equal to or more than £60,000 per year.

Table 1 - 2013/14

<i>The posts in italics reflect transitional arrangements and departure costs and amounted to £680,747 in 2013/14.</i>	Remuneration (including Fees & Allowances)	* Expense Allowances	Compensation for loss of office	Total remuneration excluding pension contributions	Pension contributions (22.4%)	Total remuneration including pension contributions
	£	£	£	£	£	£
Director Place	110,000	0	0	110,000	24,640	134,640
<i>Corporate Director Environment</i>	110,000	159	0	110,159	24,640	134,799
<i>Interim Corporate Director Education (a)</i>	71,250	0	98,843	170,093	20,041	190,134
<i>Corporate Director Social Services (b)</i>	27,500	0	0	27,500	0	27,500
Director Corporate Services (c)	88,917	0	0	88,917	19,917	108,834
Director People (d)	52,778	0	0	52,778	11,822	64,600
Chief Operating Officer (g)	69,363	133	0	69,496	15,426	84,922
Chief Social Services Officer (h)	67,500	0	0	67,500	15,120	82,620
Chief Education Officer (i)	21,290	0	0	21,290	4,769	26,059
Head of Legal, Democratic Services and Procurement	80,440	0	0	80,440	17,920	98,360
Head of Culture, Sport/Leisure & Tourism	80,000	159	0	80,159	17,920	98,079
<i>Head of Finance (e)</i>	23,000	40	817	23,857	5,611	29,467
<i>Head of Corporate Building and Property Services (f)</i>	13,333	27	0	13,360	2,987	16,347
Head of Education Inclusion	80,000	159	0	80,159	17,920	98,079
Head of Delivery & Information (t)	54,931	106	75,429	130,466	11,670	142,135
Head of Child and Family Services	80,453	0	0	80,453	18,021	98,474
Head of Education Planning and Resources	70,000	159	0	70,159	15,680	85,839
Balance c/f	1,100,755	942	175,089	1,276,786	244,104	1,520,889

NOTES TO THE ACCOUNTS

Table 1 - 2013/14 continued

Post title	Remuneration (including Fees & Allowances) £	* Expense Allowances £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Pension contributions (22.4%) £	Total remuneration including pension contributions £
Balance b/f	1,100,755	942	175,089	1,276,786	244,104	1,520,889
Head of Street Scene (j)	25,833	0	62,959	88,792	5,787	94,579
Head of Public Protection (k)	53,822	106	68,431	122,359	12,074	134,433
Head of Highways & Transportation (u)	71,458	0	0	71,458	16,007	87,465
Head of Housing & Public Protection	77,500	159	0	77,659	17,360	95,019
Head of Adult Services (p)	19,861	0	0	19,861	4,449	24,310
Head of Economic Regeneration & Planning	77,500	159	0	77,659	17,360	95,019
Head of Communications & Consultation	60,000	159	0	60,159	13,440	73,599
Head of Human Resources & Organisational Development (r)	60,138	0	0	60,138	13,440	73,578
Head of Financial Services (l)	49,073	0	0	49,073	10,946	60,019
Head of Poverty & Prevention (m)	37,110	0	0	37,110	8,313	45,423
Head of Waste Management (n)	37,708	0	0	37,708	8,447	46,155
Interim Head of Delivery & Information (o)	25,366	0	0	25,366	5,682	31,048
Head of Adult Services (q)	49,242	0	0	49,242	11,030	60,273
Interim Head of Human Resources & Organisational Development (s)	18,333	0	0	18,333	4,107	22,440
Total	1,763,701	1,526	306,478	2,071,705	392,545	2,464,250

NOTES TO THE ACCOUNTS

* The expense allowance represents an allowance for telephone costs.
No bonus payments or benefit in kind payments were made to the Officers detailed in these notes.

- (a) The Interim Corporate Director Education left the Authority on 31st December 2013.
- (b) The Corporate Director Social Services left on 30th June 2013.
- (c) The Director Corporate Services commenced on 10th June 2013.
- (d) The Director People commenced on 11th September 2013.
- (e) The Head of Finance retired on 30th June 2013.
- (f) The Head of Corporate Building & Property Services is the Chief Operating Officer since 15th May 2013. The Head of Corporate Building & Property Services post has been vacant since 15th May 2013.
- (g) The Chief Operating Officer commenced on 15th May 2013.
- (h) The Chief Social Services Officer commenced on 17th June 2013.
- (i) The Chief Education Officer commenced on 6th January 2014.
- (j) The Head of Street Scene retired on 31st July 2013.
- (k) The Head of Public Protection retired on 30th November 2013.
- (l) The Head of Financial Services commenced on 1st July 2013.
- (m) The Head of Poverty & Prevention commenced on 29th July 2013.
- (n) The Head of Waste Management commenced on 30th September 2013.
- (o) The Interim Head of Delivery & Information commenced on 21st October 2013.
- (p) The Head of Adult Services is the Chief Social Services Officer since 17th June 2013.
- (q) The Head of Adult Services commenced on 24th June 2013.
- (r) The Head of Human Resources & Organisational Development was seconded on the budget savings programme on 18th November 2013.
- (s) The Interim Head of Human Resources & Organisational Development commenced on 18th November 2013.
- (t) The Head of Delivery and Information left the Authority on 22nd November 2013.
- (u) The Head of Highways & Transportation left the Authority on 2nd March 2014.

NOTES TO THE ACCOUNTS

The following tables set out the remuneration for Senior Officers whose salary is less than £150,000 but equal to or more than £60,000 per year.

Table 1 - 2012/13

Post title	Remuneration (including Fees & Allowances) £	* Expense Allowances £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Pension contributions (22.1%) £	Total remuneration including pension contributions £
Corporate Director (Regeneration & Housing)	110,000	0	0	110,000	24,310	134,310
Corporate Director (Environment)	110,000	159	0	110,159	24,310	134,469
Corporate Director (Education) (a)	82,359	122	480	82,961	18,201	101,162
Interim Corporate Director (Education) (b)	23,508	0	0	23,508	5,195	28,703
Corporate Director (Social Services)	110,000	0	0	110,000	0	110,000
Head of Legal, Democratic Services and Procurement	72,936	0	0	72,936	16,023	88,959
Head of Culture and Tourism	80,000	159	0	80,159	17,680	97,839
Head of Finance	92,983	159	0	93,142	20,483	113,625
Head of Corporate Building and Property Services	80,489	159	0	80,648	17,680	98,328
Head of Education Effectiveness (c)	60,000	0	0	60,000	13,260	73,260
Head of Education Inclusion	80,000	159	0	80,159	17,680	97,839
Head of Performance and Strategic Projects	79,256	159	0	79,415	17,516	96,931
Head of Child and Family Services	65,060	0	0	65,060	14,365	79,425
Head of Education Planning and Resources	70,000	159	0	70,159	15,470	85,629
Balance c/f	1,116,591	1,235	480	1,118,306	222,173	1,340,479

NOTES TO THE ACCOUNTS

Table 1 - 2012/13 continued

Post title	Remuneration (including Fees & Allowances) £	* Expense Allowances £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Pension contributions (22.1%) £	Total remuneration including pension contributions £
Balance b/f	1,116,591	1,235	480	1,118,306	222,173	1,340,479
Head of Street Scene	75,000	0	0	75,000	16,575	91,575
Head of Public Protection	80,000	159	0	80,159	17,680	97,839
Head of Transportation	70,000	0	0	70,000	15,470	85,470
Head of Housing and Community Regeneration	77,500	159	0	77,659	17,127	94,786
Head of Adult Services	79,375	0	0	79,375	17,542	96,917
Head of Economic Regeneration and Planning	75,000	159	0	75,159	16,575	91,734
Head of Communications, Marketing, Overview and Scrutiny	60,000	159	0	60,159	13,260	73,419
Interim Head of Human Resources & Organisational Development	57,634	0	0	57,634	12,708	70,342
Total	1,691,100	1,871	480	1,693,451	349,110	2,042,561

* The expense allowance represents an allowance for telephone costs.

No bonus payments or benefit in kind payments were made to the Officers detailed in these notes.

(a) The Corporate Director (Education) retired in January 2013.

(b) The Interim Corporate Director (Education) commenced in January 2013.

(c) The Head of Education Effectiveness is the Interim Corporate Director (Education) since January 2013. The Head of Education Effectiveness post has been vacant since January 2013.

NOTES TO THE ACCOUNTS

(d) The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

2012/13

Exit package cost band (including special payments)	Number of Compulsory Redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band	£'000
£0 - £20,000	6	50	56		539
£20,001 - £40,000	7	19	26		753
£40,001 - £60,000	2	3	5		223
£60,001 - £80,000	0	5	5		338
£80,001 - £100,000	0	2	2		164
£100,000 - £150,000	0	2	2		274
Total	15	81	96		2,291

2013/14

Exit package cost band (including special payments)	Number of Compulsory Redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band	£'000
£0 - £20,000	7	111	118		966
£20,001 - £40,000	0	40	40		1,218
£40,001 - £60,000	0	15	15		728
£60,001 - £80,000	0	10	10		675
£80,001 - £100,000	0	3	3		259
£100,000 - £150,000	0	4	4		532
Total	7	183	190		4,378

The average payback period against all early retirement / voluntary redundancy packages agreed for 2013/14 is just over 1 year.

NOTES TO THE ACCOUNTS

29. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

2012/13	2013/14
£'000	£'000
250 Fees payable to auditors appointed by the Auditor General for Wales with regard to external audit services carried out by the appointed auditor	262
152 Fees payable to auditors appointed by the Auditor General for Wales in respect of statutory inspection	147
141 Fees payable to auditors appointed by the Auditor General for Wales for the certification of grant claims and returns by the appointed auditor	144
7 Fees payable in respect of any other services provided by the appointed auditor	25
550	578

30. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2012/13 and 2013/14:

2012/13	2013/14
£'000	£'000
Credited to Taxation and Non Specific Grant Income	
103,105 Council Tax Income	88,905
64,518 Non Domestic Rates	74,941
235,656 Revenue Support Grant	254,557
6,807 School Building Improvement Grant	10,972
3,510 Regional Transport Programme Grant	1,095
9,100 Housing MRA Grant	9,100
2,151 WEFO Convergence Grant	6,363
2,479 Strategic Regeneration Area Grant	797
558 Lottery	0
0 General Capital Grant	3,801
1,737 CESP Energy Efficiency	838
0 Learning In Digital Wales	1,130
0 Houses into Homes	1,754
3,682 Other Grants and Contributions	2,882
433,303	457,135

NOTES TO THE ACCOUNTS

2012/13		2013/14
£'000		£'000
	Credited to Services	
1,799	School Effectiveness Grant	2,117
1,766	Mental handicapped strategy	0
51,591	Rent allowance subsidy	51,933
34,701	Rent rebate subsidy	35,119
19,137	Council tax benefit	0
727	Cymorth - Social Services	39
3,343	Families First	3,421
956	Learning Pathways	827
13,916	Supporting people	13,955
7,517	Department for Children, Education, Lifelong Learning and Skills	6,072
2,330	Outcome agreement grant	2,335
5,424	COASTAL	5,730
5,083	Sustainable Waste Management	4,867
2,171	Housing Benefit Administration	1,878
5,835	Concessionary fares	6,242
4,712	Training and Enterprise Council Contract	4,484
1,522	Ethnic Minority Achievement Grant	1,539
1,702	Substance Misuse Action Team	0
6,979	Foundation Phase	7,333
3,532	Flying Start	4,541
3,668	General Capital Grant	0
902	Hafod Renewal Area Grant	0
75	Regional Transport Programme Grant	16
763	WEFO Convergence Grant	138
826	Strategic Regeneration Area Grant	20
38	School Building Improvement Grant	761
2,701	Pupil Deprivation Grant	2,755
959	Convergence RES	1,473
1,386	Communities First	2,781
0	South West Wales Integrated Transport (SWWITCH)	16,546
911	Rural Development Plan	1,074
16,073	Other Grants	11,939
203,045		189,935

NOTES TO THE ACCOUNTS

31. Related Parties

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

a) Central Government

The Authority receives significant funding from the Welsh Government. Details of the sums received in respect of Revenue Support Grant and redistributed Non Domestic Rates are shown in the Comprehensive Income and Expenditure Statement, with details of other grant income being shown in note 30 to the Accounts.

b) Charitable and Voluntary Bodies

The Authority appoints members to represent it on numerous charitable and voluntary bodies which operate primarily within the City and County of Swansea, as well as to a number of national bodies where it is deemed in the Authority's interest to be represented. Any transactions with these bodies are not significant.

c) Other Bodies

The Authority has appointed members and officers to a number of outside organisations which include the following:-

Arts Council of Wales
Coleg Harlech
Community Health Council J.C.C.
Cymdeithas Caer Las
Gower Commoners Association
Industrial Common Ownership Financial Fund
Mid and West Wales Fire Authority
South West Wales Tourism Partnership Limited
National Waterfront Museum (Swansea) Limited
South Wales Police Authority
Swansea Bay Port Health Authority
University of Wales Swansea – Court of Governors
University of Wales Swansea - Council
Welsh Joint Education Committee

A full listing can be obtained from the Finance department, Civic Centre, Oystermouth Road, Swansea, SA1 3SN and on the Authority's website (www.swansea.gov.uk/councillors).

NOTES TO THE ACCOUNTS

In respect of the Mid and West Wales Fire Authority and the Swansea Bay Port Health Authority, amounts are paid by the Authority in respect of levies and precepts to these bodies. The Section 151 Officer of the Council also acts as the Clerk and Treasurer of the Swansea Bay Port Health Authority.

Levies / Contributions paid to the two bodies were:-

Mid and West Wales Fire Authority:-	£11.503m (2012/13 £11.360m)
Swansea Bay Port Health Authority:-	£0.089m (2012/13 £0.089m)

The Authority is responsible for the collection of Council Taxes on behalf of the South Wales Police Authority. The total collected and paid over to the South Wales Police Authority for 2013/14 was £15.865m (2012/13 £14.876m).

d) Subsidiary, Associates and Joint Ventures

The Authority has an interest in seven companies, details of which are shown below:-

Swansea City Waste Disposal Company Limited (SCWD Co Ltd.)

The Swansea City Waste Disposal Company Limited ("the Company") was a wholly owned subsidiary of the Authority until 31st July 2013. The activities of the Company involve the management of the baling plant, civic amenity sites and the central land disposal site at Tir John.

In January 2013 the Authority made a decision to undertake future waste disposal operations in-house rather than through the Company. This was formally undertaken with effect from 31st July 2013 and as of that date all Assets, Liabilities and Balances of the Company were transferred to the City and County of Swansea.

Purchases from, and charges made to the Company in 2013/14 amounted to £3.581m. Sales of £411k were made to the Company.

NOTES TO THE ACCOUNTS

The National Waterfront Museum Swansea

The National Waterfront Museum Swansea (“the Company”) is limited by guarantee and is a registered charitable trust (charity number 1090512). Within the Group Accounts the Company is treated as a Joint Venture with the Authority. The Company has seven directors, of which three are appointed by the City and County of Swansea, three by the National Museums and Galleries of Wales, with the seventh director being an independent chairman.

The purpose of the Company is to develop the National Industrial and Maritime Museum at Swansea. The Company derives its funds from several sources, including the Welsh Government, the National Museums and Galleries of Wales and the Heritage Lottery Fund.

During the 2002/03 financial year the Authority granted a lease to the Company of a substantial portion of the site on which the new museum has been developed. The lease was granted at a peppercorn rental and constitutes the Authority’s commitment to the scheme.

The museum has been leased to the National Museums and Galleries of Wales at a peppercorn rent by the Company. Due to the nature of the Company and its constitution there will be no direct beneficial interest arising to the Authority from its activities.

A contribution of £2,275 was made in 2013/14 to National Waterfront Museum Swansea towards 50% of the governance costs of the charitable company. There were no outstanding balances with the company at 31/03/2014. The charitable company is deemed to be influenced significantly by the Authority through its representation on the Board of Trustees.

Copies of the accounts of the Company are available from the National Waterfront Museum Swansea Project Office, Queens Buildings, Cambrian Place, Swansea SA1 1TW.

The Wales National Pool (Swansea)

The Wales National Pool (Swansea) (“the Company”) is a company limited by guarantee. The purpose of the company is to operate the Wales National 50 Metre Pool which is located in Swansea.

The City and County of Swansea was responsible for the construction of the pool complex, with the bulk of funding being supplied by the National Lottery Sports Foundation. The pool has been constructed on land owned by the University of Wales, Swansea. The pool complex is leased to the company at a peppercorn rent. Due to the nature of the facility, which is unlikely to show profitability, the development is not thought to have a high commercial value.

NOTES TO THE ACCOUNTS

The pool complex was opened in April 2003. Details of the Authority's transactions with the Company during the year are as follows:-

2012/13 £'000		2013/14 £'000
309	Funding provided by the Authority towards operating costs of the pool	299
101	Sum paid for the free use of the pool by schools and other bodies	105
-741	Recharges of wages, salaries and other costs to the Company	-765

The Company has seven directors, of which three are appointed by the City and County of Swansea, three by Swansea University, with the seventh director being an independent chairman. The Company is treated as being a joint venture with the Authority in the group accounts.

By agreement with the University of Wales Swansea, the Authority funds 50 per cent of the operational deficit that the Company makes during its financial year which operates from 1st August to 31st July. There are no other guarantees in place that could increase the Authority's liability in respect of the operations of the Company.

There were no outstanding debtors and creditors at 31st March 2014.

Copies of the accounts of the Company are available from the University of Wales Swansea, Finance Department, Singleton Park, Swansea, SA2 8PP.

Swansea Stadium Management Company Limited (SSMC Limited)

In March 2005, the City and County of Swansea purchased shares to the value of £50,000 in Swansea Stadium Management Company Limited, a company formed to operationally run the Liberty Stadium in Swansea. The stadium is a circa - 20,000 seater stadium, and is the home to Swansea City Association Football Club (The) Limited and Ospreys Rugby Limited. The stadium also has a number of banqueting and hospitality suites which can also be used for activities outside of sporting events.

The Council incurred £104k of expenditure with the Swansea Stadium Management Company Limited in 2013/14 (£140k 2012/13). These sums were re-imbursed by SSMC Ltd.

The outstanding debtors and creditors at 31st March 2014 were £79k and £0 (2013 £31k and £0).

NOTES TO THE ACCOUNTS

The stadium was constructed by the City and County of Swansea, and is leased to SSMC Limited on a 50 year lease. The shareholding represents a one-third holding in the company with the other shares held by the above organisations equally. The constitution of the company is such that although all shareholders have an equal vote in operational issues, for matters deemed of a significant nature the City and County of Swansea has a veto. The terms of a supplementary agreement entered into with the joint shareholders of the Company exempts the Authority from contributing to any past or future losses of the Company.

On the basis that the Company has been loss making during 2013/14 and the profit is immaterial in 2012/13 the company's results have not been consolidated into the Group Accounts.

Accounts for the company can be obtained from the company secretary, SSMC Limited, Liberty Stadium, Swansea, SA1 2FA.

Swansea Bay Futures Limited

This company is currently dormant. The company's principal activity was promoting Swansea and the surrounding region as a place, to live, study, work, invest in and visit.

The City and County of Swansea typically has a representation of 4 Directors of the board holding office during the year. Funding for the Company has ceased from 1st April 2011 onwards.

There were no transactions with the company during the year and no outstanding debtors and creditors at 31st March 2013 and 31st March 2014.

NOTES TO THE ACCOUNTS

Bay Leisure Limited

The Company was incorporated on 6th August 2007. The principal activity of the Company is to manage and operate the main Leisure Centre within the Authority's area – the 'LC'.

The company is a trust limited by guarantee, and, as such, the Authority has no direct shareholding or financial interest in the Company. The Company is treated as an associate within the group structure of the Authority. There has been no consolidation for Bay Leisure Limited due to the immateriality of the Company's results.

In terms of overall control, the Company has a Board consisting of eleven directors of which the Authority is able to nominate two.

The LC was constructed by the City and County of Swansea and remains classified as an operational asset within the Authority's accounts.

The LC is leased to Bay Leisure Limited for a period of ten years with the Company being responsible for all operational matters including day to day maintenance and repairs. As owner of the building the Authority is responsible for major repair/replacement/refurbishment items and, as such, is making an annual contribution to an earmarked reserve for future expenditure in this area.

In terms of future funding, the Authority is under an obligation to consider an annual funding request from the Company to provide sufficient funding by way of a management agreement to fund any operating deficit evidenced by the Company's business plan. Due consideration will be given to such requests taking into account any balances or reserves that the Company may hold.

Funding set aside in the Authority's revenue budget for 2013/14 amounts to £0.667m (2012/13 £0.767m) which reflects the management fee payable to the company.

Copies of the accounts of the Company are available from the LC, Oystermouth Road, Swansea, SA1 3ST.

e) Other Organisations

Members of the Authority have direct control over the Authority's financial and operating policies.

During 2012/13 and 2013/14 there were no payments made to any organisations which constitute a Related Party in relation to any Members of the Council.

NOTES TO THE ACCOUNTS

f) Duties imposed on Council Directors

It is important to note that where Councillors are appointed to act as Directors of Companies or as Board Members of Statutory Agencies then they must, when carrying out such appointments, seek to act in the best interests of the Company / Statutory Body when acting in that official capacity.

g) Pension Fund

The City and County of Swansea acts as administering Authority for the City and County of Swansea Pension Fund (formerly the West Glamorgan Pension Fund). The accounts of the Pension Fund are included as part of these accounts.

Transactions between the Authority and the Pension Fund mainly comprise the payment to the Pension Fund of employee and employer payroll superannuation deductions, together with payments in respect of enhanced pensions granted by Former Authorities.

The Pension Fund currently has 32 scheduled and admitted bodies. Management of the Pension Scheme Investment Fund is undertaken by a panel. The panel is advised by two independent advisors.

32. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

NOTES TO THE ACCOUNTS

2012/13	2013/14
£'000	£'000
372,180 Opening Capital Financing Requirement	378,679
Capital investment	

67,813 Property, Plant and Equipment	74,735
1,051 Heritage Assets	22
952 Investment Properties	695
215 Intangible Assets	103
9,233 Revenue Expenditure Funded from Capital under Statute	10,299

Sources of finance

-4,962 Capital receipts	-3,917
0 Capital receipts - set aside	-1,237
-32,033 Government grants and other contributions	-41,363
0 Swansea City Waste Disposal Company transfer	-623
0 Donation	-20
-1,818 Other additions / omissions relating to prior years	-778
Sums set aside from revenue:	
-19,217 Direct revenue contributions	-20,552
-14,735 MRP/loans fund principal	-15,341
<u>378,679</u> Closing Capital Financing Requirement	<u>380,702</u>

Explanation of movements in year

771 Prior and current year adjustment	0
4,289 Increase in underlying need to borrowing (supported by government financial assistance)	716
1,439 Assets acquired under finance leases	1,307
<u>6,499</u> Increase/(decrease) in Capital Financing Requirement	<u>2,023</u>

NOTES TO THE ACCOUNTS

33. Leases

Authority as Lessee

Finance Leases

The assets acquired under finance leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

	31 March 2014	31 March 2013
	£'000	£'000
Vehicles, Plant, Furniture and Equipment	3,457	3,062

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 March 2014	31 March 2013
	£'000	£'000
Finance lease liabilities (net present value of minimum lease payments) :		
- current	989	779
- non-current	1,611	1,558
Finance costs payable in future years	151	135
Minimum lease payments	<u>2,751</u>	<u>2,472</u>

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2014 £'000	31 March 2013 £'000	31 March 2014 £'000	31 March 2013 £'000
Not later than one year	1,000	789	989	779
Later than one year and not later than five years	1,469	1,313	1,378	1,252
Later than five years	282	370	233	306
	<u>2,751</u>	<u>2,472</u>	<u>2,600</u>	<u>2,337</u>

NOTES TO THE ACCOUNTS

Operating Leases

The Authority has acquired IT equipment and telecommunications by entering into operating leases.

The future minimum lease payments due under non-cancellable leases in future years are:

	31 March 2014 £'000	31 March 2013 £'000
Not later than one year	56	80
Later than one year and not later than five years	24	64
Later than five years	4	8
	<u>84</u>	<u>152</u>

The operating lease charge for the year was £83,839.17 (2012/13 £152,212.69).

34. Impairment Losses

During 2013/14 the Authority has recognised impairment charges of £36.57m (2012/13 £35.788m) within the Comprehensive Income and Expenditure Statement. Of this, £35.19m was attributable to non enhancing expenditure and the balance of £1.38m was due to the revaluation of Tir John tip.

The non enhancing capital expenditure was split between many schemes, some of which applied to individual assets and some to asset groups. In 2013/14 the majority of the charge was for improvements to the Authority's Council Dwellings. This resulted in a charge of £24.981m (2012/13 £25.303m) to the Housing Revenue Account.

35. Termination Benefits

During 2013/14 the Authority incurred significant expenditure in terms of redundancy costs paid to leavers together with costs incurred in compensation payments to the Local Government Pension Fund in respect of early access pension costs.

In particular on 17th November 2011, in order to meet significant budget savings required for the financial year 2011/12 and onwards, the Cabinet authorised officers to seek expressions of interest for voluntary redundancy and/or early retirement from within selected employee groups of the Authority in accordance with the Authority's agreed ER/VR policy. The offer remains extant on a rolling basis.

NOTES TO THE ACCOUNTS

Costs were incurred relating to redundancy payments and early access to pension costs totalling £4.378m (2012/13 £2.291m) for the year.

These costs include provision for costs for a limited number of employees whose service will be terminated in 2014/15 but who had been offered - and accepted - severance terms as at 31st March 2014.

All costs relating to termination benefits have been included as part of service definitions within the Comprehensive Income and Expenditure Statement.

The above costs include both teaching and non teaching staff.

36. Pension Schemes Accounted For As Defined Contribution Schemes

Teachers employed by the Authority are members of the Teachers' Pensions Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is a multi-employer defined benefit scheme. The scheme is unfunded and the Department for Education uses a notional fund as a basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The scheme has in excess of 3,700 participating employers and consequently the Authority is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. As a proportion of the total contributions into the Teachers' Pension Scheme during the year ending 31st March 2014, the Authority's own contributions equate to approximately 0.2%.

In 2013/14 the Authority paid £10.45m to Teachers' Pensions in respect of teachers' retirement benefits, representing 14.1% of pensionable pay. The figures for 2012/13 were £10.34m and 14.1%. There were no contributions remaining payable at the year end. The contributions due to be paid in the next financial year are estimated to be £10.45m.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in Note 37.

The Authority is not liable to the scheme for any other entities obligations under the plan.

NOTES TO THE ACCOUNTS

37. Defined Benefit Pension Schemes

The IASB issued an amended IAS19 accounting standard on 16th June 2011 (IAS 19R). The standard is effective for accounting periods beginning on or after 1st January 2013 and will have a material impact on financial reporting results for many employers.

The revised standard implements a change to the expected return on the asset component of pension cost. The change effectively means that the expected return on assets is calculated at the discount rate advised by the Actuary, instead of, as currently, at an expected rate of return based on actual plan assets held. For most employers this is likely to lead to higher charges to the Surplus or Deficit on the Provision of Services going forward.

There will also be additional disclosure requirements including the sensitivity figures mentioned above.

The 2013/14 CIPFA Code of Practice on Local Authority Accounting requires extensive revisions to the classification, recognition, measurement and disclosures in respect of post-employment benefits following the June 2011 amendments to IAS19.

This disclosure note has been amended to reflect the revision to IAS19 and the enhanced disclosures as per the 2013/14 CIPFA Code of Practice on Local Authority Accounting. The 2012/13 comparative figures in this disclosure note have been restated to reflect the changes mentioned above.

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Authority participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS), administered locally by the City and County of Swansea - this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

NOTES TO THE ACCOUNTS

- Arrangements for the award of discretionary post-retirement benefits upon early retirement - this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The City and County of Swansea pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of the City and County of Swansea. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the committee and the committee consist of the Head of Finance and Delivery, Council members and independent investment advisers.

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

NOTES TO THE ACCOUNTS

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2013/14	2012/13	2013/14	2012/13
	£m	£m	£m	£m
Comprehensive Income and Expenditure Statement				
Cost of Services:				
Service cost comprising:				
- current service cost	37.16	30.91	0.00	0.00
- past service costs	2.28	0.00	1.11	0.90
Financing and Investment Income and Expenditure				
- Net interest expense	22.77	22.06	3.71	3.92
Total Post Employment Benefits Charged to the Surplus or Deficit on the Provision of Services	62.21	52.97	4.82	4.82
Other Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement				
Remeasurement of the net defined benefit liability comprising:				
- Return on plan assets	15.13	-60.99	0.00	0.00
- Actuarial gains and losses arising on changes in demographic assumptions	-9.55	0.00	3.64	0.00
- Actuarial gains and losses arising on changes in financial assumptions	-103.76	93.47	-5.38	6.32
- Other	-79.54	-1.61	4.61	-0.17
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	-115.51	83.84	7.69	10.97
Movement in Reserves Statement				
- reversal of net charges made to the Surplus or Deficit on the Provision of Services for post employment benefits in accordance with the Code	-62.21	-52.97	-4.82	-4.82
Actual amount charged against the General Fund Balance for pensions in the year:				
- employers' contributions payable to the scheme	32.69	29.03		
- retirement benefits payable to pensioners			5.88	5.66

NOTES TO THE ACCOUNTS

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2013/14	2012/13	2013/14	2012/13
	£m	£m	£m	£m
Present value of the defined benefit obligation	1,164.89	1,279.18	94.76	92.92
Fair value of plan assets	778.96	746.50	0.00	0.00
Net liability arising from defined benefit obligation	-385.93	-532.68	-94.76	-92.92

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2013/14	2012/13	2013/14	2012/13
	£m	£m	£m	£m
Opening fair value of scheme assets	746.50	641.69	0.00	0.00
Interest income	33.19	31.10	0.00	0.00
Remeasurement gain/(loss):				
- The return on plan assets, excluding the amount included in the net interest expense	-15.13	60.99	0.00	0.00
The effect of changes in foreign exchange rates				
Contributions from employer	32.69	29.03	5.88	5.66
Contributions from employees into the scheme	8.65	8.26	0.00	0.00
Benefits paid	-29.28	-24.57	-5.88	-5.66
Net increase in assets from disposals/acquisitions	2.34	0.00	0.00	0.00
Closing fair value of scheme assets	778.96	746.50	0.00	0.00

NOTES TO THE ACCOUNTS

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Discretionary Benefits Arrangements	
	2013/14	2012/13	2013/14	2012/13
	£m	£m	£m	£m
Opening Balance at 1st April	1,279.18	1,119.56	92.92	87.61
Current service cost	37.16	30.91	0.00	0.00
Interest cost	55.96	53.16	3.71	3.92
Contributions from scheme participants	8.65	8.26	0.00	0.00
Remeasurement (gains) and losses:				
- Actuarial gains/losses arising from changes in demographic assumptions	-9.55	0.00	3.64	0.00
- Actuarial gains/losses arising from changes in financial assumptions	-103.76	93.47	-5.38	6.32
- Other	-79.54	-1.61	4.61	-0.17
Past service cost	2.28	0.00	1.11	0.90
Benefits paid	-29.28	-24.57	-5.88	-5.66
Net increase in liabilities from disposals/acquisitions	3.79	0.00	0.04	0.00
Closing balance at 31st March	1,164.89	1,279.18	94.77	92.92

NOTES TO THE ACCOUNTS

Local Government Pension Scheme assets comprised:

	Fair value of scheme assets	
	2013/14	2012/13
	<u>£'000</u>	<u>£'000</u>
Cash and cash equivalents	29,232	21,497
Equity instruments:		
By industry type		
- Consumer	129,288	131,629
- Manufacturing	128,835	109,624
- Energy and utilities	85,560	74,407
- Financial institutions	138,123	121,426
- Health and care	78,042	67,736
- Information technology	45,322	38,879
- Telecommunications services	22,080	27,119
	<u>627,250</u>	<u>570,820</u>
Pooled Equity Investment Vehicles		
- UK	139,125	133,016
- Overseas	207,937	196,330
	<u>347,062</u>	<u>329,346</u>
Property	<u>68,723</u>	<u>61,152</u>
	68,723	61,152
Fixed Interest:		
- Fixed Interest	181,471	171,770
- Index-Linked	20,720	20,590
Sub-total private equity	<u>202,191</u>	<u>192,360</u>
Hedge Funds	49,060	44,891
Private Equity	25,284	24,834
Global Tactical Asset Allocation	15,529	17,109
Cash Funds	13,866	14,493
Other Investment Balances - Dividends Due	2,063	1,744
Net Current Assets	4,382	-647
Total assets	<u><u>1,384,642</u></u>	<u><u>1,277,599</u></u>

NOTES TO THE ACCOUNTS

	Fair value of scheme assets	
	2013/14	2012/13
	£'000	£'000
Equity instruments:		
By company size		
- Large capitalisation	384,133	344,683
- Small capitalisation	243,117	226,137
Sub-total equity instruments	627,250	570,820

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by AON Hewitt Limited, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31st March 2013.

The significant assumptions used by the Actuary have been:

	Local Government Pension Scheme		Discretionary Benefits	
	2013/14	2012/13	2013/14	2012/13
	Mortality assumptions:			
Longevity at 65 for current pensioners: (years)				
- Men	22.5	21.7	22.5	21.7
- Women	25.0	23.9	25.0	23.9
Longevity at 65 for future pensioners:(years)				
- Men	24.7	23.5		
- Women	27.3	25.8		
Rate of inflation %	2.4	2.8	2.2	2.6
Rate of increase in salaries %	3.9	4.7		
Rate of increase in pensions %	2.4	2.8	2.2	2.6
Rate for discounting scheme liabilities %	4.3	4.4	4.2	4.1

NOTES TO THE ACCOUNTS

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table on the previous page. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £	Decrease in Assumption £
Longevity (increase or decrease in 1 year)	1,191.16	-1,138.55
Rate of increase in salaries (increase or decrease by 0.1%)	1,171.39	-1,158.46
Rate of increase in pensions (increase or decrease by 0.1%)	1,179.60	-1,150.50
Rate for discounting scheme liabilities (increase or decrease by 1%)	1,143.82	-1,186.35

Asset and Liability Matching (ALM) Strategy

The pensions committee of the City and County of Swansea has agreed to an asset and liability matching strategy (ALM) that matches, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. The fund has matched assets to the pensions' obligations by investing in long-term fixed interest securities and index linked gilt edged investment with maturities that match the benefits payments as they fall due. This is balanced with a need to maintain the liquidity of the fund to ensure that it is able to make current payments.

As is required by the pensions and investment regulations the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested in too narrow a range. A large proportion of the assets relate to equities (72.4% of scheme assets) and bonds (14.7%). These percentages are materially the same as the comparative year. The scheme also invests in properties as a part of the diversification of the scheme's investments. There is a limited use of derivatives to manage the bond risk for the shorter-term instruments. The ALM strategy is monitored annually or more frequently if necessary.

NOTES TO THE ACCOUNTS

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Authority has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 25 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31st March 2016.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31st March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Authority expects to pay £32.15m contributions to the scheme in 2014/15.

The weighted average duration of the defined benefit obligation for scheme members is 19.1 years (2012/13 18.3 years).

38. Contingent Liabilities

The Authority has identified a number of contingent future liabilities arising from current and past activities.

Nature of Liability	Potential Financial Effect	Comment	Timing
Personal Social Services	£'000 Unknown	Relates to potential abuse claims relating to children cared for in previous authorities. Recent legislation has extended the period in which claims can be made beyond the initial period of six years during which a persons life could be said to be affected by abuse and, as such, the potential for such claims is greater than in the past. The Authority is not currently aware of any major claims.	Unknown

NOTES TO THE ACCOUNTS

Nature of Liability	Potential Financial Effect £'000	Comment	Timing
Infrastructure and retaining walls	Unknown	There are potential claims regarding infrastructure and retaining walls which may be taken against the Authority - such claims will be rigorously defended through the Authority's insurers and any successful claims will be met from future capital or revenue funding.	Unknown
Financial Guarantees	Unknown	<p>The Authority has in place funding agreements in respect of operating losses/management fees with regard to the following operational companies:-</p> <ul style="list-style-type: none"> - Bay Leisure Limited (Leisure centre), - Wales National Pool Swansea. <p>To date any contributions made to these companies have fallen within the annual revenue budget provision.</p> <p>With respect to Bay Leisure Limited (Swansea Leisure Centre) there is an obligation to consider annual funding requests but no contractual liability to fund deficits.</p> <p>In both instances the Authority makes what it considers to be a reasonable annual budget provision to meet its obligations based on business plans from both organisations and past funding experience, and, as such, any further liability would be limited to sums in excess of the normal budget provision.</p>	Unknown
Equal pay and Equal Value claims	Unknown	During 2008/2009 and 2009/10, in common with 2014/15 many other local authorities, the Authority made payments to certain staff in full settlement of potential equal pay claims. The Authority has settled substantial liabilities in 2013/14 but the bulk of costs are still yet to be incurred. In respect of known future liabilities the Authority has made what it considers to be adequate revenue provision within the Accounts to cater for the estimated value of such liabilities.	

NOTES TO THE ACCOUNTS

Nature of Liability	Potential Financial Effect £'000	Comment	Timing
		There is a potential for further (as yet unknown) claims in respect of equal pay claims and in respect of equal value claims which are not provided for in these accounts.	
Job Evaluation	Unknown	The Authority has now implemented a pay and grading review designed primarily to comply with equal pay legislation. There is an appeals mechanism and the final costs of implementation will not be known until the appeals processes have been exhausted. The Authority believes it has made reasonable provision through the creation of earmarked reserves and the holding of a contingency fund to meet any costs arising from this exercise and will review its revenue budgets in 2014/15 to reconfirm their adequacy.	2014/15
Retention on Grant and Contract Claims	Unknown	The Council undertakes a range of activities under which payment is made specifically on evidenced performance over an extended period. Full receipt is not guaranteed until the end of the grant or contract period.	2014/15

39. Contingent Assets

The Authority has identified a number of contingent assets based on past and ongoing challenge of VAT liability.

<u>Nature of Contingent asset</u>	<u>Potential financial effect</u> £'000	<u>Comment</u>	<u>Timing</u>
HMRC Trade Waste	500	The Authority has been successful in reclaiming output tax declared on Trade Waste claims over a number of years. A further £905,000 from that claim has been received in 2013/14. An additional claim related to interest due on agreed claims for the period 1999 to 2005. HMRC is considering both the accuracy of the claim and its size. The claim is likely to be met.	2014/15

NOTES TO THE ACCOUNTS

<u>Nature of Contingent asset</u>	<u>Potential financial effect £'000</u>	<u>Comment</u>	<u>Timing</u>
HMRC car parking	8,000	This relates to an ongoing claim against HMRC in respect of output tax declared on off street car park income. The outcome is dependant on a current lead case (Isle of Wight).	2014/15
HMRC Compound Interest	Not known but in excess of £1,000	The Authority has submitted a claim relating to previously settled 'Fleming' claims which were subject to simple interest. It is the Authority's contention that interest should have been accrued on a compound basis.	2014/15

40. Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been grouped into nine valuation bands using 1st April 2003 values for this specific purpose. Charges are calculated by taking the amount of Income required for the Council, police authorities and community councils for the forthcoming year and dividing the amount by the Council Tax base.

The Council Tax base is the number of properties in each band adjusted by a multiplier to convert the number to band 'D' equivalent and adjusted for discounts. The base was 87,519 in 2013/2014 (87,806 in 2012/2013).

The basic amount for a band 'D' property is £1,209.84 (£1,160.33 for 2012/13) is multiplied by the proportion specified for the particular band to give the individual amounts due.

Council Tax bills are based on multipliers for bands A to I. The following table shows the multiplier applicable to each band together with the equivalent number of Band 'D' properties within each band. In addition there is one lower band (A*) designed to offer the appropriate discount in respect of disabled dwellings where legislation allows a reduction in banding to that one below the band in which the property is actually valued.

NOTES TO THE ACCOUNTS

The band 'D' numbers shown have been adjusted for an assumed collection rate of 97.0% (97.5% in 2012/13) to arrive at the Council Tax base for the year.

Band	A*	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
Band 'D' Number	11	8,840	18,039	17,881	13,660	13,124	10,083	5,623	2,010	955

Analysis of the net proceeds from Council Tax:

2012/13	2013/14
£'000	£'000
104,078 Council tax collectable	108,945
-973 Less:- Provision for non payment of Council tax	-881
0 Less:- Council Tax Support Scheme	-19,159
103,105	88,905
Net proceeds from Council Tax	

Application of Council Tax proceeds:

2012/13	2013/14
£'000	£'000
101,884 City & County of Swansea precept	105,884
854	847
Community Council precept	
102,738 Council Tax requirement	106,731
0 Less:- Council Tax Support Scheme	-19,159
367 Transfer to reserves	1,333
103,105	88,905
Net application of proceeds	

NOTES TO THE ACCOUNTS

41. National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government specifies an amount of the rate per pound of rateable value which for 2013/14 was 0.464p (0.452p in 2012/13) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR Pool administered by the Welsh Government. The Welsh Government redistributes the sums payable back to local authorities on the basis of a fixed amount per head of population.

The NNDR income (after reliefs and provisions) of £67.788m for 2013/14 (£70.472m for 2012/13) was based on a rateable value at year end of £200.982m (£195.399m 2012/13).

The £67.788m represents the NNDR income collected by the Council and paid into the NNDR Pool that is administered by the Welsh Government. The £74.941m disclosed on the face of the Comprehensive Income and Expenditure Statement is the receipt the Council received back from the Welsh Government.

Analysis of the proceeds from non domestic rates:

2012/13	2013/14
£'000	£'000
72,087 Non – domestic rates due	69,459
-348 Council fund contribution to rate relief	-337
71,739	69,122
-462 Less: cost of collection	-463
-766 Provision for bad debts	-853
-39 Interest due on overpayments	-18
70,472 NNDR due to pool	67,788
64,518 Net receipt from pool	74,941

NOTES TO THE ACCOUNTS

42. Jointly Controlled Operations

A joint arrangement is defined as "a contractual arrangement under which the participants engaged in joint activities that do not create an entity because it would not be carrying on a trade or business of its own. A contractual arrangement where all significant matters of operating and financial policy are predetermined does not create an entity because the policies are those of its participants, not of a separate entity".

The CIPFA Code states that where such joint arrangements exist, each participant should account directly for its share of the assets, liabilities, income, expenditure and cash flows held within or arising from the arrangements.

The Authority works in partnership with many other Local Authorities in the joint provision of services. Traditionally one Authority acts as lead in these arrangements and will incur all expenditure for the service with the other Authorities making a contribution for a calculated or negotiated share of the costs. Where contributions in cash during the year are less than or exceed the final amount due a debtor / creditor is kept in the lead Authority's books to add / deduct from the next year's contribution.

43. Heritage Assets: Five Year Summary of Transactions

	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000	£'000	£'000	£'000	£'000
Cost of acquisition of heritage assets					
Heritage Land, Buildings & Infrastructure	0	0	2,014	228	22
Art & Museums	0	0	0	323	0
Furniture, Fixtures & Fittings	0	0	0	0	0
Other	10	0	0	500	0
Total Cost of purchases	<u>10</u>	<u>0</u>	<u>2,014</u>	<u>1,051</u>	<u>22</u>
Revaluation of assets in the period					
Heritage Land, Buildings & Infrastructure	0	0	0	0	0
Art & Museums	0	0	0	-180	9
Furniture, Fixtures & Fittings	0	0	0	0	0
Other	0	0	0	0	0
Total Donations	<u>0</u>	<u>0</u>	<u>0</u>	<u>-180</u>	<u>9</u>

There have been no heritage assets acquired by donation in the last five years. No assets have been transferred from other categories in the last five years.

NOTES TO THE ACCOUNTS

44. Heritage Assets: Further Information

Heritage Assets considered but not recognised in the Balance Sheet as value/cost information is unavailable.

Heritage Land, Buildings and Infrastructure

- Hafod Copperworks including :-
 - Boundary Wall of former Hafod Copper Works
 - Chimney West of Vivian Engine House
 - Copper slag abutment to former waste tip tramroad
 - Pier to former waste tip tramroad and adjoining Morfa Quay
 - Hafod Lime Kiln
 - Vivian Engine House
 - Laboratory Building
 - White Rock archaeological remains
 - Gun Embankment x 2 (Mumbles Lighthouse)
 - The Ivy Tower, Clyne Woods
 - Viewing Tower, Clyne Gardens
 - Footbridge over Clyne River (known as Roman Bridge Mumbles Rd, Blackpill - CADW ref 11760 & 22572)
 - Italian Bridge Clyne Gardens
 - Slip bridge and abutments
 - Japanese Bridge
 - Morfa Bridge (off Normandy Road, Landore - CADW ref 81960,11699)
 - Morydd Street Bridge and Boundary Wall
 - Mumbles Battery
 - Former Mumbles Railway Electricity Sub-Station
 - Former Glynn Vivian Locomotive Shed
 - Gazebo Clyne Gardens
 - Magazine on north west side of Mumbles Lighthouse
 - The Belvedere, Saunders Way, Sketty
 - Fountain in Botanical Gardens
 - Prince's Fountain
 - Veranda House
 - Scotts Pit, Llansamlet
- ### Art & Museums
- Dylan Thomas Exhibition
 - Mansion House Contents
 - Historic photographs (Swansea Museum)
 - Egyptology (Swansea Museum)
 - Other collections (Swansea Museum)
 - Swansea Museum, Collections Centre Landore or the Tramway Centre
 - Plinth and Statue of J H Vivian
 - Statue of William Thomas

NOTES TO THE ACCOUNTS

Memorials

- Mumbles Gardens Memorials
- Treboeth Community Centre memorial
- Gower Memorial opposite Kingshead PH
- Memorial Fountain to Henry Evans Charles
- South African war memorial, Mumbles Road
- Swansea Jack memorial
- War Memorial in Danygraig Park, St Thomas
- War Memorial in Morryston Park
- War Memorial, Parc Briallu
- War Memorial Carmarthen Road

Transport

- 8 Boats
- 1 Dinghy Boat
- 1 Lifeboat

Other

- Iron Bollard on East side of River Tawe
- Iron Bollard on West bank of River Tawe (CADW Ref 11599 & 11600)
- The Guildhall Flag Staff

45. Prior Year Restatements

The 2012/13 Comprehensive Income and Expenditure Statement, Movement In Reserves Statement and the Cashflow Statement for the Authority have been restated due to the June 2011 amendments in IAS19 (Employee Benefits). The 2013/14 CIPFA Code of Practice on Local Authority Accounting requires extensive revisions to the classification, recognition, measurement and disclosure in respect of post-employment benefits following the IAS19 amendments.

The 2012/13 published main statements have been restated as follows:

Comprehensive Income and Expenditure Statement

	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Published Cost of Services	741,988	-342,910	399,078
Restatement due to IAS19 amendments	1,300	0	1,300
Restated Cost of Services	743,288	-342,910	400,378

NOTES TO THE ACCOUNTS

	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Published Cost of Services	741,988	-342,910	399,078
Restatement due to IAS19 amendments	1,300	0	1,300
Restated Cost of Services	743,288	-342,910	400,378
Published Financing and Investment Income and Expenditure	76,648	-51,276	25,372
Restatement due to IAS19 amendments	-900	13,380	12,480
Restated Financing and Investment Income and Expenditure	75,748	-37,896	37,852
Published Deficit on the Provision of Services			17,579
Restatement due to IAS19 amendments			13,780
Restated Deficit on the Provision of Services			31,359
Published Actuarial losses on pension assets/liabilities			50,800
Restatement due to IAS19 amendments			-13,780
Restated Actuarial losses on pension assets/liabilities			37,020
Movement In Reserves Statement			£'000
General Fund Balance			
Published Deficit on the provision of services			-13,516
Restatement due to IAS19 amendments			-13,093
Restated Deficit on the provision of services			-26,609
Published Adjustments between accounting & funding basis under regulations			17,906
Restatement due to IAS19 amendments			13,093
Restated Adjustments between accounting & funding basis under regulations			30,999

NOTES TO THE ACCOUNTS

Housing Revenue Account

Published Deficit on the provision of services	-4,063
Restatement due to IAS19 amendments	-687
Restated Deficit on the provision of services	-4,750

Published Adjustments between accounting & funding basis under regulations	1,935
Restatement due to IAS19 amendments	687
Restated Adjustments between accounting & funding basis under regulations	2,622

Unusuable Reserves

Published Other Comprehensive Income and Expenditure	8,172
Restatement due to IAS19 amendments	13,780
Restated Other Comprehensive Income and Expenditure	21,952

Published Adjustments between accounting & funding basis under regulations	-22,827
Restatement due to IAS19 amendments	-13,780
Restated Adjustments between accounting & funding basis under regulations	-36,607

Cashflow Statement

£'000

Published Net deficit on the provision of services	-17,579
Restatement due to IAS19 amendments	-13,780
Published Net deficit on the provision of services	-31,359

Published Adjustments to net surplus or (deficit) on the provision of services for non cash movements	88,402
Restatement due to IAS19 amendments	13,780

Restated Adjustments to net surplus or (deficit) on the provision of services for non cash movements	102,182
---	----------------

NOTES TO THE ACCOUNTS

Housing Revenue Accounts Income and Expenditure Statement

£'000

Published Supervision and Management	13,140
Restatement due to IAS19 amendments	60
Restated Supervision and Management	13,200

Published HRA services' share of Corporate and Democratic Core	692
Restatement due to IAS19 amendments	3
Restated HRA services' share of Corporate and Democratic Core	695

Published Pensions interest cost and expected return on pension assets	675
Restatement due to IAS19 amendments	624
Restated Pensions interest cost and expected return on pension assets	1,299

Restated Pensions interest cost and expected return on pension assets	1,299
--	--------------

Published deficit for the year on HRA services	4,063
Restatement due to IAS19 amendments	687
Restated deficit for the year on HRA services	4,750

Movement on the HRA Balance

£'000

Published Deficit for the year on the HRA Income and Expenditure Statement	-4,063
Restatement due to IAS19 amendments	-687
Restated Deficit for the year on the HRA Income and Expenditure Statement	-4,750

Published Adjustments between accounting basis and funding basis under statute	1,935
Restatement due to IAS19 amendments	687
Restated Adjustments between accounting basis and funding basis under statute	2,622

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

Restated

<u>2012/13</u>		<u>2013/14</u>
<u>£'000</u>		<u>Note</u> <u>£'000</u> <u>£'000</u>
	<u>Expenditure</u>	
11,040	Repairs and maintenance	11,053
13,200	Supervision and management	13,294
684	Rent, rates, taxes and other charges	553
5,595	Negative HRA subsidy payable	5,854
27,122	Depreciation and impairment of non-current assets	6 26,264
38	Debt management costs	38
269	Movement in the allowance for bad debts	587
57,948	Total Expenditure	57,643
	<u>Income</u>	
-46,548	Dwelling rents	-48,232
-128	Non-dwelling rents	-122
-2,415	Charges for services and facilities	-2,676
-937	Contributions towards expenditure	-900
-50,028	Total Income	-51,930

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

Restated <u>2012/13</u> <u>£'000</u>		<u>2013/14</u> <u>£'000</u>
7,920	Net cost of HRA services as included in the whole authority Comprehensive Income and Expenditure Statement	5,713
695	HRA services' share of Corporate and Democratic Core	701
<hr/> 8,615	Net Cost for HRA Services	<hr/> 6,414
	HRA share of the Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement:	
3,627	Interest payable and similar charges	3,369
-58	Interest and investment income	-53
1,299	Net interest on the net defined benefit liability (asset)	1,324
-9,100	Capital grants and contributions receivable	-9,100
0	Gain on sale of HRA non-current assets	-754
367	Income and expenditure in relation to investment properties and changes in their fair value	-470
<hr/> -3,865		<hr/> -5,684
<hr/> 4,750	Surplus(-)/deficit for the year on HRA services	<hr/> 730

The Comprehensive Income and Expenditure Statement for 2012/13 has been restated due to the June 2011 amendments in IAS19 (Employee Benefits). The implementation of this standard results in a change of accounting policy that requires a prior year adjustment as shown in Note 45.

MOVEMENT ON THE HRA BALANCE

Restated		2013/14
2012/13		£'000
£'000		£'000
16,058	Balance on the HRA at the end of the previous year	13,958
-4,750	Surplus or (deficit) for the year on the HRA Income and Expenditure Statement	-730
2,622	Adjustments between accounting basis and funding basis under statute	1,088
<u>-2,128</u>		<u>358</u>
	Net increase before transfers to or from reserves	
28	Transfers from / to reserves	-349
<u>-2,100</u>	Increase or (decrease) in year on the HRA	<u>9</u>
<u>13,958</u>	Balance on the HRA at the end of the current year	<u>13,967</u>

Adjustments between accounting basis and funding basis under statute

Adjustments primarily involving the Capital Adjustment Account:

Reversal of items debited or credited to the HRA Income and Expenditure Statement:

27,116	Charges for depreciation and impairment of non-current assets	26,989
367	Movement in the market value of Investment Properties	-470
6	Revaluations losses	-725

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:

-1,423	Statutory provision for the financing of capital investment	-1,380
-15,835	Capital expenditure charged against the HRA balance	-15,931

Adjustments primarily involving the Capital Grants Unapplied Account -

-9,100	Capital grants and contributions receivable	-9,100
--------	---	--------

Adjustments primarily involving the Financial Instruments Adjustment Account -

93	Amount by which finance costs charged to the HRA Income and Expenditure Account are different from finance costs chargeable in the year in accordance with statutory requirements	93
----	---	----

MOVEMENT ON THE HRA BALANCE

Restated 2012/13 £'000	2013/14 £'000
Adjustments primarily involving the Pensions Reserve -	
Reversal of items relating to retirement benefits debited or 2,796 credited to the HRA Income and Expenditure Statement	3,070
Employers pensions contributions and direct payments to -1,403 pensioners payable in the year	-1,448
Adjustments primarily involving the Accumulated Absences Account -	
Amount by which officer remuneration charged to the HRA Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in 5 accordance with statutory requirements	-10
2,622 Total Adjustments	1,088

The Movement In Reserves Statement for 2012/13 has been restated due to the June 2011 amendments in IAS19 (Employee Benefits). The implementation of this standard results in a change of accounting policy that requires a prior year adjustment as shown in Note 45.

NOTES TO THE HOUSING REVENUE ACCOUNT

1. Housing Stock

As at 31st March 2014 the Authority owned a total of 13,555 properties, made up of different types of dwelling including detached houses, semi-detached houses, bungalows, low level flats, high rise accommodation and sheltered accommodation.

The change in stock numbers can be summarised as follows:

31/03/2013		31/03/2014
Units		Units
13,609	Stock at 1 st April	13,590
-19	Sales	-35
<u>13,590</u>	Stock at 31 st March	<u>13,555</u>

2. Rent arrears and provisions for bad debts

Rent arrears

31/03/2013		31/03/2014
£'000		£'000
1,042	Current tenants	1,276
490	Former tenants	525
<u>1,532</u>		<u>1,801</u>

Former tenants arrears written off during 2013/14 totalled £0.282m (2012/13 £0.269m). A bad debts provision has been made in the accounts in respect of potentially uncollectable rent arrears. The value of the provision at 31st March 2014 is £1.105m (31st March 2013 £0.950m).

Provision for bad debts

2012/13		2013/14
£'000		£'000
-950	Provisions as at 1st April	-950
269	Arrears written off during year	282
-269	Increase in provision required	-437
<u>-950</u>	Provisions as at 31st March	<u>-1,105</u>

NOTES TO THE HOUSING REVENUE ACCOUNT

3. Capital expenditure

During 2013/14 £24.981m (2012/13 £25.303m) was spent on Council Housing.

This was financed as follows:-

2012/13		2013/14
£'000		£'000
9,100	Grants – Major Repairs Allowance	9,100
0	Capital Contributions	307
16,203	Revenue and Balances	15,574
<u>25,303</u>		<u>24,981</u>

The capital expenditure was incurred on HRA assets as follows:

2012/13		2013/14
£'000		£'000
25,303	Council dwellings	24,981

The Major Repairs Allowance was used in full in 2013/14 and 2012/13.

The Capital Expenditure on Council Housing did not increase the value of the Council properties and has been impaired during the year. This is as a result of the specific valuation method employed.

4. Revenue expenditure funded from capital under statute (REFCUS)

Capital expenditure, which does not result in a non-current asset to the Authority (e.g. housing renovation grants), is classified as revenue expenditure funded from capital under statute.

No revenue expenditure funded from capital under statute was charged to the Housing Revenue Account in 2013/14 and 2012/13.

5. Capital receipts during the year

Capital receipts received during the year in respect of the sale of HRA properties amounted to £2.67m (£1.273m 2012/13). Of this £1.237m (£0.716m 2012/13) was set aside for the repayment of debt and £52k (£30k 2012/13) was used to defray costs.

NOTES TO THE HOUSING REVENUE ACCOUNT

The following is a summary of the Capital Receipts Reserve as it applies to the Housing Revenue Account:-

2012/13		2013/14
£'000		£'000
5,553	Opening balance 1 st April	6,080
1,273	Receipts during the year	2,670
-716	Less set asides	-1,237
-30	Less other costs	-52
<u>6,080</u>	Balance available as at 31st March	<u>7,461</u>

Capital receipts were as follows:

2012/13		2013/14
£'000		£'000
978	Council Houses	1,693
288	Land	968
7	Other	9
<u>1,273</u>		<u>2,670</u>

6. Depreciation charges and impairment

The total charge for depreciation and impairment made to the HRA for 2013/14 amounted to £26.264m (2012/13 £27.122m) and is analysed as follows:-

2012/13		2013/14
£'000		£'000
	Depreciation on operational assets	
1,783	- dwellings	1,970
30	- other property	38
	Impairment	
25,303	- dwellings	24,981
	Revaluation Losses	
6	- dwellings	-725
0	- other property	0
<u>27,122</u>	Total	<u>26,264</u>

NOTES TO THE HOUSING REVENUE ACCOUNT

Although depreciation is shown as a charge in calculating a surplus or deficit on the Housing Revenue Account, it does not represent the statutory amount that should be charged to the HRA in respect of capital charges. To this extent the charge is removed and replaced by a statutory calculation of interest and principal charges (the 'Item 8 determination') in arriving at the sum to be debited/credited to the Housing Revenue Account for the year.

During 2013/14 the Authority has recognised impairment charges of £24,981k within the HRA Income and Expenditure Statement attributable to non enhancing capital expenditure.

7. IAS 19 – Accounting for pension costs.

Supervision and management costs shown within the income and expenditure account includes a sum of £3.070m (2012/13 £2.796m) which is the cost calculated by the Authority's actuary as being the employers contribution required to meet the current year pension costs of HRA employees. This does not represent a statutory charge to HRA balances and is reversed out and replaced by the actual employers superannuation payments made before the final transfer to/from Housing Revenue Account balances is calculated.

8. Reserve Transfer

Reserve Transfer 2012/13 £28k

A transfer of £28k was made from the capital receipts reserve to fund the cost of work administering the Right to Buy scheme.

Reserve Transfer 2013/14 -£349k

A transfer of £353k was made from the general capital reserves to fund work completed in previous years but not charged.

A transfer of £52k was made from the capital receipts reserve to fund the cost of work administering the Right to Buy Scheme.

A transfer of £754k was made to the capital receipts reserve to transfer profit on sale of HRA land.

ASSET STRUCTURE

Major fixed assets held by the Authority at 31st March 2014.

Number 31/03/2013		Number 31/03/2014
	Corporate Building & Property Services	
1	• Heol y Gors Depot	1
1	• Penlan Storage Depot	1
1	• Linden Avenue Depot	1
1	• Criccieth Place Depot	1
1	• Enterprise Park	1
10	• Industrial/Warehousing Sites	10
1	• Civic Centre (Swansea)	1
1	• Civic Centre (Penllergaer)	1
1	• Guildhall	1
1,319	• Residential Freeholds	1,298
1	• St David's Shopping Centre	1
1	• The Quadrant Shopping Centre	1
1	• West Cross Bunker	1
	Culture & Tourism	
4	• Leisure Centres	4
1	• LC	1
43	• Pavilions/Changing Rooms	43
3	• Sports Centres	3
1	• Blackpill Lido	1
1	• St Helens Ground	1
1	• Tennis Centre	1
1	• Plantasia	1
1	• Botanic Gardens	1
1	• Grand Theatre	1
1	• Brangwyn Hall	1
1	• Dylan Thomas Centre	1
1	• Patti Pavilion	1
78	• Parks & Open Spaces (497 Hectares)	78
970	• Foreshore (hectares)	970
82	• Children's Playgrounds	84
1	• Caravan Parks	1
1	• Tourist Information Centres	1
1	• Stadium	1
1	• Bowls Hall	1
4	• Museums	4
1	• Art Gallery	1
32	• Community Centres	31
10	• Senior Citizen Pavilions	10
1	• Discovery Centre - Brynmill	1

ASSET STRUCTURE

Number 31/03/2013		Number 31/03/2014
1	• Ty Blodau - Botanics	1
1	• Adizone	1
1	• Country Park - Clyne	1
7	• Skateparks	11
16	• Multi Use Games Areas	16
1	• Promenade Fitness Trail	1
4	• Parks Fitness Trails - Parc Llewellyn, Coedbach, Coed Gwilym & Fendrod Lake	4
1	• Oystermouth Castle	1
16	• Allotments	16
8	• BMX Tracks	10
17	• Libraries	17
1	• Watersports Centre	1
1	• Knab Rock Watersports Centre	1
6	• Course Angling Lakes	6
2	• Crazy Golf	2
1	• Blackpill Pitch & Putt	1
 Education		
75	• Primary/Junior/Infants/Nursery School (excluding Church Schools)	75
13	• Secondary Schools (excluding Church Schools)	13
6	• Special Schools/Referral Units	6
3	• Community Education	3
3	• Residential Activity Centres	3
5	• Youth Clubs	5
2	• Youth Information Service (Info Nation and Canoldre)	2
2	• Family Centres	2
7	• Flying Start Settings (not shared use with school)	10
3	• Other (Closed Former Schools & Educ. Centres)	3
 Housing and Community Regeneration		
13,590	• Council Dwellings	13,555
9	• Area Housing Offices	9
 Marketing Communications & Scrutiny		
1	• Mansion House	1

ASSET STRUCTURE

Number 31/03/2013		Number 31/03/2014
Public Protection		
7	• Cemeteries	7
1	• Crematorium	1
5	• Cemetery Lodges/Chapel of Rest	5
1	• Designated New Cemetery (not yet operational)	1
Regeneration & Planning		
1	• Garth Farm	1
1	• Bishopwood Centre	1
6	• Local Nature Reserves	6
1	• Swansea Mobility Hire	1
1	• City Centre Offices	1
1	• Market	1
Shared Premises (Streetscene / Waste Management)		
1	• Depot (Pipehouse Wharf)	1
Social Services		
10	• Residential & Respite Facilities	10
1	• Residential & Respite Facilities (Vacant)	1
16	• Day & Social Centres/Activities	16
3	• Residential & Day Centres/Activities (combined on same site)	3
9	• Offices/Resource Centres (1 x vacant)	6
5	• Other major assets	5
Streetscene		
102	• Principal Roads - A Roads (Kilometres)	102
230	• Non Principal Roads - B & C Roads (Kilometres)	230
766	• Non Classified Roads (Kilometres)	770
1	• Depot (Clydach)	1
Transportation		
61	• Car Parks	60
1	• Swansea Bus Station (Quadrant)	1
1	• Marina	1
1	• Barrage	1
34,726	• Highway Bridges (Square metres of deck area)	34,726
18	• Highway Retaining Walls (Kilometres)	18
Waste Management		
5	• Amenity Sites	5
1	• Landfill Sites	1
1	• MRF (Baling Plant Llansamlet)	1

CITY & COUNTY OF SWANSEA PENSION FUND


1. Introduction

The City & County of Swansea Pension Fund is administered by the City & County of Swansea. However it is a separate statutory fund and its assets and liabilities, income and expenditure are not consolidated into the accounts of the Authority. That is, the Pensions Fund's assets and liabilities are distinct.

The summarised accounts of the Pension Fund shown here comprise three main elements:-

- The Fund Account which shows income and expenditure of the fund during the year, split between payments to/contributions from members and transactions relating to fund investments.
- The Net Assets Statement which gives a snapshot of the financial position of the fund as at 31st March 2014.
- The Notes to The Accounts which are designed to provide further explanation of some of the figures in the statement and to give a further understanding of the nature of the fund.

2 Summary of transactions for the year

Where the money comes from:-			And where it goes.....	
	£'000			£'000
Contributions and transfers in	87,392		Pensions Payable	49,588
			Lump sum benefits	17,206
Other	110		Refunds and transfers out	3,136
			Administrative expenses	1,022
	87,502			70,952
			Net new money into the Fund	16,550
			Net return on investments	90,493
			Increase in Fund value	107,043

CITY & COUNTY OF SWANSEA PENSION FUND

Section 151 Officer's Certificate

I hereby certify that the statement of accounts on pages 140 to 177 present fairly the position of the Pension Fund at the accounting date and its income and expenditure for the year ended 31st March 2014.

CITY & COUNTY OF SWANSEA PENSION FUND

Fund Account For The Year Ended 31st March

2012/13		2013/14		
£'000	Contributions and benefits	Notes	£'000	£'000
	Contributions receivable :			
53,937	Employers contribution	3	58,554	
15,380	Members contribution	3	<u>16,133</u>	74,687
1,867	Transfers in	4		12,705
23	Other income	5		<u>110</u>
<u>71,207</u>				<u>87,502</u>
	Benefits payable :			
-47,058	Pensions payable	6	-49,588	
-13,868	Lump sum benefits	6	<u>-17,206</u>	-66,794
	Payments to and on account of leavers :			
-12	Refunds of contributions	7	-11	
-3,590	Transfers out	7	<u>-3,125</u>	-3,136
-1,037	Administrative expenses	8		<u>-1,022</u>
<u>5,642</u>	Net additions from dealing with members			<u>16,550</u>
	Returns on investments			
18,753	Investment income	9		24,456
139,791	Change in market value of investments	12		77,463
-6,439	Investment management expenses	8		<u>-11,426</u>
<u>152,105</u>	Net returns on investments			<u>90,493</u>
<u>157,747</u>	Net increase in the fund during the year			<u>107,043</u>
1,119,852	Opening Net Assets of the Fund			1,277,599
1,277,599	Closing Net Assets of the Fund			1,384,642

CITY & COUNTY OF SWANSEA PENSION FUND

Net Assets Statement As At 31 March

31st March 2013 (Reclassified)*		31st March 2014
£'000	Notes	£'000
Investments at market value:		
1,240,512 Investment Assets	11	1,335,099
14,493 Cash Funds	12	13,866
21,497 Cash Deposits	12	29,232
1,744 Other Investment Balances - Dividends Due	12	2,063
1,278,246 Sub Total		1,380,260
5,278 Current Assets	16	15,097
-5,925 Current Liabilities	16	-10,715
<u>1,277,599</u> Net assets		<u>1,384,642</u>

The financial statements on pages 140-172 summarise the transactions of the Fund and deal with the net assets at the disposal of the Pension Fund Committee. The financial statements do not take account of liabilities and other benefits which fall due after the period end. The actuarial position of the Fund, which does take account of such liabilities, is dealt with in the Statement of the Actuary in the Annual Report of the Pension Fund and a summary is included in Note 18 of this statement, and these accounts should be read in conjunction with this information.

*The reclassification as at the 31st March 2013 is explained in note 12.

Notes to the Financial Statements

1. Basis of preparation

The financial statements summarise the fund's transactions for the 2013/14 financial year and its position at year-end 31 March 2014. The financial statements have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2013/14* which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The financial statements do not take account of liabilities and other benefits which fall due after the period end.

2. Accounting Policies

The following principal accounting policies, which have been applied consistently (except as noted below), have been adopted in the preparation of the financial statements:

(a) Contributions

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis in the month employee contributions are deducted from the payroll.

Early Access contributions from the employers are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received. Under current rules, employers can exercise discretion to give access to a person's pension rights early (other than for ill health). Where this is done, the additional pension costs arising are recharged to the relevant employer and do not fall as a cost to the fund. Under local agreements some Employers have exercised the right to make these repayments over three years incurring the relevant interest costs.

Other Contributions relate to additional pension contributions paid in order to purchase additional pension benefits.

(b) Benefits

Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.

Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the fund as appropriate.

(c) Transfers to and from other Schemes

Transfer values represent the capital sums either receivable in respect of members from other pension schemes of previous employers or payable to the pension schemes of new employers for members who have left the fund. They are accounted for on a cash basis, or where Trustees have agreed to accept the liability in advance of receipt of funds, on an accruals basis from the date of the agreement.

(d) Investments

- i) The net assets statement includes all assets and liabilities of the fund at the 31st March.

CITY & COUNTY OF SWANSEA PENSION FUND

2. Accounting Policies (continued)

- ii) Listed investments are included at the quoted bid price as at 31st March.
- iii) Investments held in pooled investment vehicles are valued at the closing bid price at 31st March if both bid and offer price are published; or, if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the fund, net of applicable withholding tax.
- iv) Unquoted securities and pooled investment vehicles are valued by the relevant investment managers based on the Fund's share of the net assets or a single price advised by the Fund Manager, in accordance with generally accepted guidelines.
- v) Unit trusts are valued at the Managers' bid prices at 31st March.
- vi) Accrued interest is excluded from the market value of fixed interest securities but is included in accrued investment income.
- vii) Investment management fees are accounted for on an accruals basis.
- viii) Transaction costs are included in the cost of purchases and sales proceeds.
- ix) Investments held in foreign currencies have been translated into sterling values at the relevant rate ruling as at 31st March.
- x) Property Funds/Unit Trusts are valued at the bid market price, which is based upon regular independent valuation of the underlying property holdings of the Fund/Unit Trust.

e) Financial Instruments

Pension Fund assets have been assessed as fair value through profit and loss in line with IAS19.

f) Cash and Cash Funds

Cash comprises cash in hand and cash deposits. Cash funds are highly liquid investments held with Investment Managers.

g) Investment Income

Investment income and interest received are accounted for on an accruals basis. When an investment is valued ex dividend, the dividend is included in the Fund account.

h) Other

Other expenses, assets and liabilities are accounted for on an accruals basis.

CITY & COUNTY OF SWANSEA PENSION FUND

3. Analysis of Contributions

Total Contributions 2012/13 £'000	Total Contributions 2013/14 £'000
38,514	41,711
<u>Administering Authority</u>	
City & County of Swansea	
<u>Admitted Bodies</u>	
35 Babtie	11
229 Celtic Community Leisure	235
17 Colin Laver Heating Limited	13
20 Swansea Bay Racial Equality Council	20
83 Wales National Pool	100
104 Capgemini	89
1,900 NPT Homes	2,027
20 Phoenix Trust	7
1,109 Grwp Gwalia	1,182
3,517	3,684
<u>Scheduled Bodies</u>	
5 Cilybebyll Community Council	6
25 Coedffranc Community Council	25
1,616 Gower College	1,637
1,234 NPTC Group	1,639
66 Neath Town Council	74
22,982 Neath Port Talbot County Borough Council	24,490
32 Margam Joint Crematorium Committee	21
7 Pelenna Community Council	6
13 Pontardawe Town Council	14
33 Swansea Bay Port Health Authority	34
76 Swansea City Waste Disposal Company	26
1,197 University of Wales Trinity St Davids	1,320
27,286	29,292
69,317	74,687

CITY & COUNTY OF SWANSEA PENSION FUND

3. Analysis of Contributions (continued)

The admission agreement for Babtie ceased on 4th July 2013 when their contract with Neath Port Talbot County Borough Council ended, therefore their participation in the Fund has now ceased.

Coleg Powys merged with Neath Port Talbot College with effect from 1st August 2013 to form NPTC Group. A direction was received from the Department of Communities and Local Government (DCLG) for the scheme members employed by Coleg Powys to be transferred from Powys Pension Fund to Neath Port Talbot College section of the Fund.

The admission agreement for Swansea Waste Disposal Company ceased from 1st August 2013 when that company's employees were transferred into the City and County of Swansea section of the Fund.

CITY & COUNTY OF SWANSEA PENSION FUND

3. Analysis of Contributions (continued)

Total Employer/Employee contributions comprise of:

2012/13		2013/14
£'000		£'000
Employers		
52,340	Normal	55,436
1	Other	9
1,596	Early Access	3,109
<u>53,937</u>	Total	<u>58,554</u>
Employees		
15,346	Normal	16,105
34	Other	28
<u>15,380</u>	Total	<u>16,133</u>
<u>69,317</u>	Total Contributions Receivable	<u>74,687</u>

4. Transfers In

Transfers in comprise of:

2012/13		2013/14
£'000		£'000
0	Group transfers from other schemes *	8,900
1,867	Individual transfers from other schemes	3,805
<u>1,867</u>	Total	<u>12,705</u>

* This figure represents a bulk transfer from the Powys Pension Fund in respect of Coleg Powys, who have merged with Neath Port Talbot College (a scheduled body within this Scheme) to form Neath Port Talbot College Group. The figure of £8.9m, represents an estimate made by the actuary of the Powys Pension Fund, of the transfer value in respect of Coleg Powys. This estimate will be reviewed by the Actuary for the City & County of Swansea Pension Fund when data becomes available.

5. Other Income

Other income comprise of:

2012/13		2013/14
£'000		£'000
13	Bank Interest	89
10	Early Access - Interest	21
<u>23</u>	Total	<u>110</u>

6. Benefits Payable

By category

2012/13		2013/14
£'000		£'000
47,058	Pensions	49,588
11,830	Commutation and lump sum retirement benefits	15,349
2,038	Lump sum death benefits	1,857
<u>60,926</u>	Total	<u>66,794</u>

CITY & COUNTY OF SWANSEA PENSION FUND

7. Payments to and on account of leavers

Transfers out and refunds comprise of:

2012/13		2013/14
£'000		£'000
12	Refunds to members leaving service	11
3,590	Individual transfers to other schemes	3,125
3,602	Total	3,136

8. Administrative and Investment Management Expenses

All administrative and investment management expenses are borne by the Fund:

2012/13		2013/14
£'000		£'000
Administrative Expenses		
661	Support Services & Employee Costs	659
22	Actuarial Fees	45
41	Advisors Fees	43
40	External Audit Fees	58
22	Performance Monitoring Services Fees	25
25	Printing & Publications	23
217	Other	166
9	Pension Fund Committee	3
1,037		1,022
Investment Management Expenses		
3,204	Management Fees	4,378
3,120	Performance Fees	6,915
115	Custody Fees	133
6,439		11,426
7,476	Total	12,448

9. Investment Income

2012/13		2013/14
£'000		£'000
8,954	U.K. Equities	13,433
6,041	Overseas Equities	6,619
2,736	Managed Fund - Fixed Interest	3,055
842	Pooled Investment vehicles - Property Fund	1,006
175	Pooled Investment vehicles - Private Equity	341
5	Interest	2
18,753	Total	24,456

9. Investment Income (continued)

The assets under management by Legal and General are managed wholly in a pooled investment vehicle. The pooled investment vehicles are a combination of equity, bond and money market unit funds which operate on an 'accumulation' basis, i.e. all dividends and investment income are automatically reinvested back into their relevant funds and not distributed as investment income. Therefore, the fund value and change in market value on these funds will reflect both capital appreciation / depreciation plus reinvested investment income.

10. Taxation

a) United Kingdom

The Fund is exempt from Income Tax on interest and dividends and from Capital Gains Tax but now has to bear the UK tax on other income. The fund is reimbursed V.A.T. by H.M. Revenue and Customs and the accounts are shown exclusive of V.A.T.

b) Overseas

The majority of investment income from overseas suffers a withholding tax in the country of origin.

CITY & COUNTY OF SWANSEA PENSION FUND

11. Investment Assets

	31st March 2013			31st March 2014		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
Equities						
Quoted	297,494	282,996	580,490	324,568	313,060	637,628
Pooled investment vehicles						
Managed Funds:						
Quoted:						
Equity	0	12,881	12,881	0	13,467	13,467
Fixed Interest	0	109,679	109,679	0	117,200	117,200
Unquoted:						
Equity	123,346	183,449	306,795	128,747	194,470	323,217
Fixed Interest	51,886	10,205	62,091	52,409	11,862	64,271
Index-linked	20,590	0	20,590	20,720	0	20,720
Property Unit Trust	5,296	0	5,296	6,107	0	6,107
Property Fund	26,552	29,304	55,856	31,056	31,560	62,616
Hedge Fund	0	44,891	44,891	0	49,060	49,060
Global Tactical Asset Allocation	0	17,109	17,109	0	15,529	15,529
Private Equity	0	24,834	24,834	0	25,284	25,284
Total pooled investment vehicles	227,670	432,352	660,022	239,039	458,432	697,471
Total equities and pooled investment vehicles	525,164	715,348	1,240,512	563,607	771,492	1,335,099

CITY & COUNTY OF SWANSEA PENSION FUND

11. Investment Assets (continued)

An analysis of investment assets based on the class of investment is shown below :

31st March 2013		31st March 2014	
£'000	Investment assets	£'000	
171,770	Fixed interest	181,471	
20,590	Index linked securities	20,720	
420,840	U.K. equities	453,315	
61,152	Property	68,723	
44,891	Hedge Funds	49,060	
24,834	Private Equity	25,284	
17,109	Global Tactical Asset Allocation (GTAA)	15,529	
479,326	Overseas Equities	520,997	
<u>1,240,512</u>	Total investment assets	<u>1,335,099</u>	

CITY & COUNTY OF SWANSEA PENSION FUND

12. Reconciliation of movements in investments

	Value at 31st March 2013 (Reclassified)	Purchases	Sales	Change in Market Value	Value at 31st March 2014
	£'000	£'000	£'000	£'000	£'000
Equities					
Aberdeen	98,166	10,637	-8,478	-978	99,347
JPM	201,896	247,752	-240,647	16,306	225,307
Schroders	293,309	59,382	-52,629	26,379	326,441
L&G	306,795	5,730	-10,495	21,187	323,217
	<u>900,166</u>	<u>323,501</u>	<u>-312,249</u>	<u>62,894</u>	<u>974,312</u>
Property					
UK					
Schroders	31,848	1,984	0	3,331	37,163
Overseas					
Partners	16,797	4,047	-3,021	1,257	19,080
Invesco	12,507	0	-517	490	12,480
	<u>61,152</u>	<u>6,031</u>	<u>-3,538</u>	<u>5,078</u>	<u>68,723</u>
Fixed Interest					
Fixed Interest					
L&G	62,091	4,433	0	-2,253	64,271
Goldman	109,679	3,055	0	4,466	117,200
	<u>171,770</u>	<u>7,488</u>	<u>0</u>	<u>2,213</u>	<u>181,471</u>
Index-Linked					
L&G	20,590	887	0	-757	20,720
	<u>20,590</u>	<u>887</u>	<u>0</u>	<u>-757</u>	<u>20,720</u>
Hedge Funds					
BlackRock	23,609	0	-466	2,541	25,684
Fauchier	21,282	0	-424	2,518	23,376
	<u>44,891</u>	<u>0</u>	<u>-890</u>	<u>5,059</u>	<u>49,060</u>
Private Equity					
HarbourVest	24,834	6,551	-10,403	4,302	25,284
	<u>24,834</u>	<u>6,551</u>	<u>-10,403</u>	<u>4,302</u>	<u>25,284</u>
Global Tactical Asset Allocation					
BlackRock	17,109	0	-163	-1,417	15,529
	<u>17,109</u>	<u>0</u>	<u>-163</u>	<u>-1,417</u>	<u>15,529</u>
Cash funds					
L&G	14,296	2,111	-2,666	89	13,830
Schroders	197	0	-162	1	36
	<u>14,493</u>	<u>2,111</u>	<u>-2,828</u>	<u>90</u>	<u>13,866</u>
Total	<u>1,255,005</u>	<u>346,569</u>	<u>-330,071</u>	<u>77,463</u>	<u>1,348,965</u>
Cash	21,497				29,232
Other Investment Balances - Dividends Due	1,744				2,063
TOTAL	<u>1,278,246</u>			<u>77,463</u>	<u>1,380,260</u>

CITY & COUNTY OF SWANSEA PENSION FUND

12. Reconciliation of movements in investments (continued)

At the 31st March 2013, the dividends due to the Fund have been reclassified as Other Investment Balances, having previously been included in Current Assets.

Transaction costs are included in the cost of purchase and sales proceeds. Identifiable transaction costs incurred in the year relating to segregated investments amounted to £388k (2012/13: £290k). Costs are also incurred by the Fund in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the bid/offer spread of these investments and are not separately identifiable.

13. Concentration of Investments

The following investments represented 5% or more of the Fund's net assets at 31st March 2014:

	Value as at the 31st March 2013 £'000	Proportion of Net Asset %	Value as at the 31st March 2014 £'000	Proportion of Net Asset %
L&G UK Equity Index	123,346	9.7%	128,747	9.3%
Goldman Sachs Global Libor Plus II	109,679	8.6%	117,200	8.5%
L&G North America Equity Index	71,710	5.6%	76,747	5.5%

14. Realised Profit on the Sale of Investments

2012/13 £'000	2013/14 £'000
3,429 U.K. Equities	15,280
14,132 Overseas	27,909
64 Property Fund	0
0 Cash Fund	3
<u>17,625</u> Net Profit	<u>43,192</u>

CITY & COUNTY OF SWANSEA PENSION FUND

15. Fixed Interest and Index Linked Investments

The fixed interest and index-linked investments are comprised of:

31st March 2013		31st March 2014
£'000		£'000
78,289	UK Public Sector	115,086
114,071	Other	87,105
<u>192,360</u>		<u>202,191</u>

16. Current Assets and Liabilities

The amounts shown in the statement of Net Assets are comprised of:

31st March 2013 (Reclassified)		31st March 2014
£'000		£'000
Current Assets		
616	Contributions - Members	613
2,024	Contributions - Employers	2,011
786	Early Access Debtor	2,120
415	Transfer Values	9,232
1,437	Other	1,121
<u>5,278</u>		<u>15,097</u>
Current Liabilities		
-1,563	Investment Management Expenses	-4,321
-1,601	Commutation and lump sum retirement benefits	-3,873
-455	Lump sum death benefits	-688
-1,445	Transfers to Other Schemes	-895
-514	Payroll Deductions - Tax	-538
-347	Other	-400
<u>-5,925</u>		<u>-10,715</u>
<u>-647 Net</u>		<u>4,382</u>

Analysed as:

31st March 2013 (Reclassified)		31st March 2014
£'000		£'000
Current Assets		
698	Central Government Bodies	774
3,850	Other Local Authorities	13,655
0	Public Corporations & Trading Funds	2
730	Other Entities and Individuals	666
<u>5,278</u>		<u>15,097</u>
Current Liabilities		
-2	Central Government Bodies	-38
-1,475	Other Local Authorities	-2,677
-4,448	Other Entities and Individuals	-8,000
<u>-5,925</u>		<u>-10,715</u>
<u>-647 Net</u>		<u>4,382</u>

The reclassification is explained in Note 12

CITY & COUNTY OF SWANSEA PENSION FUND

16. Current Assets & Liabilities (continued)

Early Access Debtor

	Instalment Due 2014/15 £'000	Instalment Due 2015/16 £'000	Instalment Due 2016/17 £'000	Instalment Due 2017/18 £'000	Total £'000
Early Access Principal Debtor	1,658	240	209	13	2,120
Early Access Interest Debtor	25	19	17	1	62
Total (Gross)	1,683	259	226	14	2,182

17. Capital and Contractual Commitments

As at 31st March 2014 the Scheme was committed to providing funding to appointed managers investing in unquoted securities. These commitments amounted to £40.3m (2012/13 : £53.3m).

18. Actuarial Present Value of Promised Retirement Benefits - Statement of the Actuary for the year ended 31 March 2014

Introduction

The Scheme Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the City & County of Swansea Pension Fund (the Fund) is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2013 by Aon Hewitt Limited, in accordance with Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2008.

Actuarial Position

1. The valuation as at 31 March 2013 showed that the funding ratio of the Fund had increased since the previous valuation with the market value of the Fund's assets at that date (of £1,227.6M) covering 81% of the liabilities allowing, in the case of current contributors to the Fund, for future increases in pensionable pay.

2. The valuation also showed that the aggregate level of contributions required to be paid by participating employers with effect from 1 April 2014 is:

- 16.2% of pensionable pay. This is the rate calculated as being sufficient, together with contributions paid by members, to meet the liabilities arising in respect of service after the valuation date.

Plus

- 5.7% of pensionable pay to restore the assets to 100% of the liabilities in respect of service prior to the valuation date over a recovery period of 25 years from 1 April 2014, if the membership remains broadly stable and pay increases are in line with the rate assumed at the valuation of 3.9% p.a.

3. In practice, each individual employer's position is assessed separately and contributions are set out in Aon Hewitt Limited's report dated 31 March 2014 (the "actuarial valuation report"). In addition to the contributions shown above, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

4. The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement. Different approaches adopted in implementing contribution increases and individual employers' recovery periods are set out in the actuarial valuation report.

5. The valuation was carried out using the projected unit actuarial method for most employers and the main actuarial assumptions used for assessing the funding target and the contribution rates as set out on the following page.

CITY & COUNTY OF SWANSEA PENSION FUND

18. Actuarial Present Value of Promised Retirement Benefits - Statement of the Actuary for the year ended 31 March 2014 (continued)

The main actuarial assumptions were as follows:

Discount rate

In service:

Scheduled and subsumption bodies	5.6% a year
Orphan bodies	5.2% p.a

After leaving service

Scheduled and subsumption bodies	5.6%p.a.
Orphan bodies	3.9%p.a.
Rate of general pay increases	3.9% p.a.
Rate of increases to pension accounts	2.4% p.a.
Rate of increase in pensions in payment	2.4% p.a.
Valuation of assets	market value

Further details of the assumptions adopted for the valuation were set out in the actuarial valuation report.

6. The valuation results summarised above are based on the financial position and market levels at the valuation date, 31 March 2013. As such the results do not make allowance for changes which have occurred subsequent to the valuation date.

7. The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2014 to 31 March 2017 were signed on 31 March 2014. Contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2016.

8. CIPFA's Code of Practice also requires the actuarial present value of the promised retirement benefits to be disclosed based on IAS26 and using assumptions relevant to IAS19 and not the funding assumptions above. The actuarial present value of the promised retirement benefits on this basis as at 31st March 2013 is £1,936.8m (31st March 2010 £1,819.4m), which compares to the market value of assets at that date of £1,277.6m (31st March 2010 £1,016.8m).

9. This Statement has been prepared by the current Actuary to the Fund, Aon Hewitt Limited, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2013. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required. This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.

Aon Hewitt Limited does not accept any responsibility or liability to any party other than our client, the City and County of Swansea, in respect of this statement.

Aon Hewitt Limited
Jun-14

CITY & COUNTY OF SWANSEA PENSION FUND

18. Actuarial Present Value of Promised Retirement Benefits - Statement of the Actuary for the year ended 31 March 2014 (continued)

Definitions

Admission Body

An employer admitted to the Fund under an admission agreement.

Orphan Body

This is an admission body or other employer whose participation in the Fund may cease at some future point in time, after which it is expected that the Administering Authority will have no access to future contributions in respect of the employer's liabilities in the Fund once any liability on cessation has been paid.

Scheduled Body

Employers which participate in the Fund under Schedule 2 of the Administration Regulations.

Subsumption and subsumption body

When an admission body or other employer ceases participation in the Fund, so that it has no employees contributing to the Fund and once any contribution on cessation as required by the regulations has been paid, the Fund will normally be unable to obtain further contributions from that employer (eg if future investment returns are less than assumed). It is however possible for another long term employer in the Fund (generally a scheduled body) to agree to be a source of future funding should any funding shortfalls emerge on the original employer's liabilities. The long term employer effectively subsumes the assets and liabilities of the ceasing employer into its own assets and liabilities. In this document this is known as subsumption. In this document the admission body or other employer being subsumed is referred to as a subsumption body and its liabilities are known as subsumed liabilities.

Certificate of the Actuary Regarding the Contributions Payable by the Employing Authorities in 2013/14

In accordance with Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2008 (the "Administration Regulations"), we certify that contributions should be paid by Employers at the following rates for the period 1st April 2011 to 31st March 2014.

i) A common rate of 14.6% of Pensionable Pay.

ii) Individual adjustments which, when added to or subtracted from the common rate, produce the following Employer contribution rates:

CITY & COUNTY OF SWANSEA PENSION FUND

18. Actuarial Present Value of Promised Retirement Benefits - Statement of the Actuary for the year ended 31 March 2014 (continued)

Employer				
		2011	2012	2013
		% Pensionable Pay	% Pensionable Pay	% Pensionable Pay
Administering Authority				
City and County of Swansea		20.5	22.1	22.4
Scheduled Bodies				
Neath Port Talbot County Borough Council		21.5	21.9	22.0
	Contribution Rate 1 April 2011 to 31 March 2014 % Pay	Additional Monetary Amount Year Commencing 1 April		
		2011	2012	2013
Scheduled Bodies		£	£	£
Coedffranc Community Council	19.1	11,000	11,600	12,200
Margam Joint Crematorium Committee	19.1	11,000	11,600	12,200
Neath Town Council	19.1	14,000	14,700	15,500
Swansea Bay Port Health Authority	19.1	15,000	15,800	16,600
Neath Port Talbot College	13.9	175,000	184,000	194,000
Swansea Metropolitan University	14.4	275,000	290,000	305,000
Gower College	14.1	206,000	217,000	228,000
Swansea City Waste Disposal Company	18.3	29,000	30,700	32,300
Pontardawe Town Council	19.3	220	230	240
Cilybebyll Community Council	20.5	-	-	-
Pelenna Community Council	17.1	360	380	400
Admitted Bodies				
Colin Laver Heating Limited	19.7	-	-	-
Swansea Bay Racial Equality Council	23.7	2,300	2,400	2,600
Babtie Group	14.6	-	-	-
Celtic Community Leisure	11.1	-	-	-
Wales National Pool	14.5	-	-	-
Capgemini	18.7	-	-	-
Phoenix Trust	13.9	-	-	-
NPT Homes	15.1	-	-	-

These represent the minimum contributions to be paid by each Employer. Employers may choose to pay additional contributions from time to time subject to the Administering Authority's agreement.

In addition, any extra liabilities falling on the Fund in respect of retirements under Regulation 18,19 or 30 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2008 (the "Benefits Regulations") should be financed by additional Employer contributions, calculated in a manner advised by the Actuary and payable over a period of 3 years.

In addition, any additional benefits granted under Benefits Regulation 12 or 13 should be financed by additional Employer contributions, under Administration Regulation 40 or as calculated in a manner advised by the actuary.

Additional contributions may be payable by any Admitted Bodies which have ceased to participate in the fund since 31 March 2010 and will be certified separately.

Contribution rates for Employers commencing participation in the Fund after 31 March 2010 will be advised separately.

CITY & COUNTY OF SWANSEA PENSION FUND

18. Actuarial Present Value of Promised Retirement Benefits - Statement of the Actuary for the year ended 31 March 2014 (continued)

Where payments due from an Employer listed in this Certificate are expressed as capital amounts, the amounts payable by that Employer should be adjusted to take account of any amounts payable, in respect of surplus or shortfall to which those capital payments relate, by new employers created after the valuation date which have been credited with proportions of the assets and liabilities of the relevant Employer. Any adjustment should be advised by the Fund Actuary.

19. Related party transactions

£659k (£661k 2012/13) was paid to the City & County of Swansea for the recharge of Administration, I.T., Finance and Legal Services during the year.

Contributions received from admitted and scheduled bodies as detailed on page 146.

The City & County of Swansea acts as administering Authority for the City and County of Swansea Pension Fund (formerly the West Glamorgan Pension Fund).

Transactions between the Authority and the Pension Fund mainly comprise the payment to the Pension Fund of employee and employer payroll superannuation deductions, together with payments in respect of enhanced pensions granted by Former Authorities.

The Pension Fund currently has 32 scheduled and admitted bodies. Management of the Pension Scheme Investment Fund is undertaken by a panel. The panel is advised by two independent advisors.

Governance

There are 7 councillor members of the pension committee who are active members in the City & County of Swansea Pension Fund. The benefit entitlement for the Councillors is accrued under the same principles that apply to all other members of the Fund.

CITY & COUNTY OF SWANSEA PENSION FUND

20. Additional Voluntary Contributions

Some members of the Fund pay voluntary contributions to the fund's AVC providers, The Prudential, to buy extra pension benefits when they retire. These contributions are invested in a wide range of assets to provide a return on the money invested. Some members also still invest and have funds invested with the legacy AVC providers, Equitable Life and Aegon.

The pension fund accounts do not include the assets held by The Prudential, Equitable Life or Aegon. AVCs are not included in the accounts in accordance with section 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (SI 2009/3093) but are disclosed as a note only.

AVC Provider	Value of Funds at 1st April 2013	Purchases at Cost (Contributions In/Out)	Sale Proceeds	Change in Market Value	Funds at 31st March 2014
	£'000	£'000	£'000	£'000	£'000
Prudential	2,644	1,162	-1,117	36	2,725
Aegon	1,535	50	-337	104	1,352
Equitable Life	400	2	-46	17	373
Totals	4,579	1,214	-1,500	157	4,450

CITY & COUNTY OF SWANSEA PENSION FUND

21. Membership

The Pension Fund covers City & County of Swansea employees (except for teachers, for whom separate pension arrangements apply), and other bodies included in the schedule.

Detailed national regulations govern the rates of contribution by employees and employers, as well as benefits payable. At 31st March 2014 there were 15,576 contributors, 10,833 pensioners and 9,663 deferred pensioners.

Membership statistics	31st March 2010	31st March 2011	31st March 2012	31st March 2013	31st March 2014
	Number	Number	Number	Number	Number
Contributors	14,744	14,524	14,179	14,586	15,576
Pensioners	9,302	9,600	10,027	10,432	10,833
Deferred Pensioners	7,248	7,614	8,204	8,815	9,663
Total	31,294	31,738	32,410	33,833	36,072

See Appendix 1 for current year analysis

22. Fair Value of Investments

Financial Instruments

The Fund invests mainly through pooled vehicles with the exception of three segregated equity mandates. The managers of these pooled vehicles invest in a variety of financial instruments including bank deposits, quoted equity instruments, fixed interest securities, direct property holdings and unlisted equity and also monitor credit and counterparty risk, liquidity risk and market risk.

Financial Instruments - Gains & Losses

Gains and losses on financial instruments have been disclosed within note 9, 12 and 14 of the pension fund accounts.

Fair Value – Hierarchy

The fair value hierarchy introduced as part of the new accounting Code under IFRS7 requires categorisation of assets based upon 3 levels of asset valuation inputs -

- Level 1 - quoted prices for similar instruments.
- Level 2 - directly observable market inputs other than Level 1 inputs.
- Level 3 - inputs not based on observable market data.

The table on the following page shows the position of the Fund's assets at 31st March 2013 and 2014 based upon this hierarchy:

CITY & COUNTY OF SWANSEA PENSION FUND

22. Fair Value of Investments (continued)

	Market Value £'000	31 March 2013			Market Value £'000	31 March 2014		
		Level 1 £'000	Level 2 £'000	Level 3 £'000		Level 1 £'000	Level 2 £'000	Level 3 £'000
Equities								
UK Equities	297,494	297,494	-	-	324,568	324,568	-	-
Overseas Equities	282,996	282,996	-	-	313,060	313,060	-	-
Pooled Investment Vehicles								
Fixed-Interest Funds	109,679	-	109,679	-	117,200	-	117,200	-
UK Equity	123,346	-	123,346	-	128,747	-	128,747	-
Overseas Equity	196,330	-	196,330	-	207,937	-	207,937	-
Fixed Interest	62,091	-	62,091	-	64,271	-	64,271	-
Index-linked	20,590	-	20,590	-	20,720	-	20,720	-
Property Unit Trust	5,296	-	5,296	-	6,107	-	6,107	-
Property Fund	55,856	-	26,552	29,304	62,616	-	31,056	31,560
Hedge Fund	44,891	-	-	44,891	49,060	-	-	49,060
Global Tactical Asset Allocation	17,109	-	-	17,109	15,529	-	-	15,529
Private Equity	24,834	-	-	24,834	25,284	-	-	25,284
Cash	35,990	35,990	-	-	43,098	43,098	-	-
Other Investment Balances -								
Dividends Due	1,744	1,744	-	-	2,063	2,063	-	-
Total	1,278,246	618,224	543,884	116,138	1,380,260	682,789	576,038	121,433

23. INVESTMENT RISKS

As demonstrated above, the Fund maintains positions indirectly via its investment managers in a variety of financial instruments including bank deposits, quoted equity instruments, fixed interest securities, direct property holdings, unlisted equity products, commodity futures and other derivatives. This exposes the Fund to a variety of financial risks including credit and counterparty risk, liquidity risk, market risk and exchange rate risk.

Procedures for Managing Risk

The principal powers to invest are contained in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 and require an Administering Authority to invest any pension fund money that is not needed immediately to make payments from the Pension Fund. These regulations require the Pension Fund to formulate a policy for the investment of its fund money. The Administering Authority's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The Pension Fund annually reviews its Statement of Investment Principles (SIP) and corresponding Funding Strategy Statement (FSS), which set out the Pension Fund's policy on matters such as the type of investments to be held, balance between types of investments, investment restrictions and the way risk is managed.

The Fund continues to review its structure. A key element in this review process is the consideration of risk and for many years now the Fund has pursued a policy of lowering risk by diversifying investments across asset classes, investment regions and fund managers. Furthermore, alternative assets are subject to their own diversification requirements and some examples are given below.

- Private equity - by stage, geography and vintage where funds of funds are not used
- Property - by type, risk profile, geography and vintage (on closed ended funds)
- Hedge funds – multi-strategy and or funds of funds

Manager Risk

The Fund is also well diversified by managers with no single active manager managing more than 25% of Fund assets. On appointment, fund managers are delegated the power to make such purchases and sales as they deem appropriate under the mandate concerned. Each mandate has a benchmark or target to outperform or achieve, usually on the basis of 3-year rolling periods. An update, at least quarterly, is required from each manager and regular meetings are held with managers to discuss their mandates and their performance on them. There are slightly different arrangements for some of the alternative assets. Some private equity and property investment is fund, rather than manager-specific, with specific funds identified by the investment sub group after careful due diligence. These commitments tend to be smaller in nature than main asset class investments but again regular performance reports are received and such investments are reviewed with managers at least once a year.

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. As noted above almost all the Fund's investments are through pooled vehicles and a number of these are involved in derivative trades of various sorts including futures, swaps and options. Whilst the Fund is not a direct counterparty to such trades and so has no direct credit risk, clearly all derivative transactions incorporate a degree of risk and the value of the pooled vehicle, and hence the Fund's holding, could be impacted negatively by failure of one of the vehicle's counterparties. However, part of the operational due diligence carried out on potential manager appointees concerns itself with the quality of that manager's risk processes around counterparties and seeks to establish assurance that these are such as to minimise exposure to credit risk.

There has been no historical experience of default on the investments held by the pension fund.

Within the Fund, the areas of focus in terms of credit risk are bonds and some of the alternative asset categories.

- The Fund's active fixed-interest bond portfolio £117,200k is managed (by Goldman Sachs) on an unconstrained basis and has a significant exposure to credit, emerging market debt and loans. At 31st March 2014, the Fund's exposure to non-investment grade paper was 10.8% of the actively managed fixed income portfolio.
- On private equity the Fund's investments are almost entirely in the equity of the companies concerned. The Fund's private equity investments of £25,284K are managed by Harbourvest in a fund of funds portfolio.

On hedge fund of funds and multi-strategy vehicles, underlying managers have in place a broad range of derivatives. The Fund's exposure to hedge funds through its managers at 31st March 2014 is set out below with their relative exposure to credit risk.

	March 2014 £'000	Credit Exposure
Fauchier Partners	23,376	14.2%
Blackrock	25,684	22.4%

Liquidity Risk

The Pension Fund has its own bank accounts. At its simplest, liquidity risk is the risk that the Fund will not be able to meet its financial obligations when they fall due, especially pension payments to its members. At a strategic level the Administering Authority, together with its consulting actuary, reviews the position of the Fund triennially to ensure that all its obligations can be suitably covered.

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

Ongoing cash flow planning in respect of contributions, benefit payments, investment income and capital calls/distributions is also essential. This is in place with the Fund's position updated regularly.

Specifically on investments, the Fund holds through its managers a mixture of liquid, semi-liquid and illiquid assets. Whilst the Fund's investment managers have substantial discretionary powers regarding their individual portfolios and the management of their cash positions, they hold within their pooled vehicles a large value of very liquid securities, such as equities and bonds quoted on major stock exchanges, which can easily be realised. Traditional equities and bonds now comprise 83% of the Fund's value and, whilst there will be some slightly less liquid elements within this figure (emerging market equities and debt for example), the funds investing in these securities offer monthly trading at least – often weekly or fortnightly.

On alternative assets the position is more mixed. Most are subject to their own liquidity terms or, in the case of property, redemption rules. Closed-ended funds such as most private equity vehicles and some property funds are effectively illiquid for the specific period (usually 10 years), although they can be sold on the secondary market, usually at a discount.

The table below analyses the value of the Fund's investments at 31st March 2014 by liquidity profile.

	Amounts at				
	31st March 2014 £000s	Within 1 month £000s	1-3 months £000s	4-12 months £000s	> 1 Year £000s
Equities					
UK Equities	324,568	324,568	0	0	0
Overseas Equities	313,060	313,060	0	0	0
Pooled Investment Vehicles					
Fixed-Interest Funds	117,200	117,200	0	0	0
UK Equity	128,747	128,747	0	0	0
Overseas Equity	207,937	207,937	0	0	0
Fixed Interest	64,271	64,271	0	0	0
Index-linked	20,720	20,720	0	0	0
Property Unit Trust	6,107	0	0	6,107	0
Property Fund	62,616	0	0	31,056	31,560
Hedge Fund	49,060	0	0	49,060	0
Global Tactical Asset Allocation	15,529	0	0	15,529	0
Private Equity	25,284	0	0	0	25,284
Deposits with banks and other financial institutions	43,098	43,098	0	0	0
Other Investment Balances - Dividends Due	2,063	2,063	0	0	0
Total	1,380,260	1,221,664	0	101,752	56,844

23. INVESTMENT RISKS (continued)

It should be noted that different quoted investments are subject to different settlement rules but all payments/receipts are usually due within 7 days of the transaction (buy/sell) date. Because the Fund uses some pooled vehicles for quoted investments these are often subject to daily, weekly, 2-weekly or monthly trading dates. All such investments have been designated "within 1 month" for the purposes of liquidity analysis. Open-ended property funds are subject to redemption rules set by their management boards. Many have quarterly redemptions but these can be held back in difficult markets so as not to force sales and disadvantage continuing investors. For liquidity analysis purposes, a conservative approach has been applied and all such investments have been designated "within 4-12 months".

Closed-ended funds have been designated illiquid for the purposes of liquidity analysis. However, these closed-ended vehicles have a very different cash flow pattern to traditional investments since the monies committed are only drawn down as the underlying investments are made (usually over a period of 5 years) and distributions are returned as soon as underlying investments are exited (often as early as year 4). In terms of cash flow, therefore, the net cash flow for such a vehicle usually only reaches a maximum of about 60-70% of the amount committed and cumulative distributions usually exceed cumulative draw downs well before the end of the specified period, as these vehicles regularly return 1½ to 2½ times the money invested. At the same time, it has been the Fund's practice to invest monies on a regular annual basis so the vintage year of active vehicles ranges from 2000 to 2013.

This means that, whilst all these monies have been designated closed-ended and thereby illiquid on the basis of their usual "10-year life", many are closer to maturity than implied by this broad designation. As can be seen from the table, even using the conservative basis outlined above, around 88% of the portfolio is realisable within 1 month and 96% is realisable within 12 months.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial institution will fluctuate because of changes in market price. The Fund is exposed to the risk of financial loss from a change in the value of its investments and the consequential danger that its assets will fail to deliver returns in line with the anticipated returns underpinning the valuation of its liabilities over the long term.

Market risk is comprised of two elements –

- The risks associated with volatility in the performance of the asset class itself (beta);
- The risks associated with the ability of managers, where allowed, to move away from index weights and to generate alpha, thereby offsetting beta risks by exceeding market performance.

The table on the following page sets out an analysis of the Fund's market risk positions at 31 March 2014 by showing the amount invested in each asset class and through each manager within each main asset class, the index used as a benchmark and the target set for managers against this benchmark.

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

Asset Class	Asset Allocation	Fund Manager		Benchmark	Performance target
		Passive	Active		
UK Equities	34% +/- 5%	14% L&G	20% Schroders	FTSE allshare	+3% p.a. over rolling 3year
Overseas Equities	34% +/- 5%	13% L&G	21% JP Morgan & Aberdeen Aberdeen	MSCI World all share (ex UK) MSCI Frontier Markets Index	+3% p.a. over rolling 3year +% p.a. over rolling 3year
Global Fixed Interest	15% +/- 5%	6% L&G	9% Goldman Sachs	Composite benchmark Standard Barclays Capital Aggregate	LIBOR +3% Barclays Capital Aggregate +0.75% over rolling 3year
Property	5% +/- 5%	-	5% Schroders, Partners & Invesco	IPD UK Pooled Property Fund Index	+ 1% p.a. over rolling 3 year, 8% absolute return
Hedge Funds	5% +/- 5%	-	5% Blackrock & Fauchier Partners	LIBOR	+4%
Private Equity	3% +/- 5%	-	3% Harbourvest	FTSE allshare	+3% p.a. over 3 year rolling
Global Tactical Asset Allocation	2% +/- 5%	-	2% BGI/Blackrock	LIBOR	+4%
Cash	2% +/- 5%	-	2% In house and cash flows of fund managers	7day LIBID	7day LIBID
TOTAL	100%	33%	67%		

The risks associated with volatility in market values are managed mainly through a policy of broad asset diversification. The Fund sets restrictions on the type of investment it can hold through investment limits, in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. The Fund also adopts a specific strategic benchmark (details can be found in the Fund's SIP summarised above) and the weightings of the various asset classes within the benchmark form the basis for asset allocation within the Fund. Under normal conditions there is quarterly rebalancing to this strategic benchmark within fixed tolerances. This allocation, determined through the Fund's asset allocation, is designed to diversify and minimise risk through a broad spread of investments across both the main and alternative asset classes and geographic regions within each asset class.

Market risk is also managed through manager diversification – constructing a diversified portfolio across multiple investment managers. On a daily basis, managers will manage risk in line with the benchmarks, targets and risk parameters set for the mandate, as well as their own policies and processes. The Fund itself monitors managers on a regular basis (at least quarterly) on all these aspects.

Price Risk

Price Risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short is unlimited.

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Pension Fund Committee to ensure it is within limits specified in the fund investment strategy.

Following analysis of historical data and expected investment return movement during the financial year, and in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible. Had the market price of the fund investments increased/decreased in line with the potential market movements, the change in the net assets available to pay benefits in the market price as at 31 March 2014 would have been as follows:

Price Risk

Asset Type	Value (£'000)	% Change	Value on Increase	Value on Decrease
UK Equities	453,315	12.59%	510,387	396,243
Overseas Equities	520,997	12.13%	584,194	457,800
Total Bonds & Index-Linked	202,191	2.47%	207,185	197,197
Cash	43,098	0.02%	43,107	43,089
Property	68,723	2.61%	70,517	66,929
Alternatives	89,873	3.00%	92,569	87,177
Other Investment Balances	2,063	0.00%	2,063	2,063
Total Assets*	1,380,260	8.35%	1,495,512	1,265,008

**The % change for Total Assets includes the impact of correlation across asset classes*

and as at 31 March 2013:

Price Risk

Asset Type	Value (£'000)	% Change	Value on Increase	Value on Decrease
UK Equities	420,840	13.4%	477,148	364,532
Overseas Equities	479,326	13.1%	542,022	416,630
Total Bonds & Index Linked	192,360	2.6%	197,342	187,378
Cash	35,990	0.0%	35,994	35,986
Property	61,152	3.0%	63,011	59,293
Alternatives	86,834	3.3%	89,726	83,942
Other Investment Balances	1,744	0.0%	1,744	1,744
Total Assets*	1,278,246	8.8%	1,390,220	1,166,272

**The % change for Total Assets includes the impact of correlation across asset classes*

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (£UK). The fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

In consultation with the fund's investment advisors, the council has determined that the following movements in currencies are reasonably possible. The following represents a sensitivity analysis associated with foreign exchange movements as at 31 March 2014:

Currency Risk (by currency)				
Currency	Value (£'000)	% Change	Value on Increase	Value on Decrease
Australian Dollar	5,099	9.80%	5,599	4,599
Brazilian Real	8,090	12.69%	9,117	7,063
Canadian Dollar	9,422	6.04%	9,991	8,853
Danish Krone	1,415	6.26%	1,504	1,326
EURO	89,647	6.31%	95,304	83,990
Hong Kong Dollar	6,029	7.98%	6,510	5,548
Indian Rupee	5,766	10.84%	6,391	5,141
Indonesian Rupiah	2,094	11.05%	2,325	1,863
Israeli Shekel	628	6.94%	672	584
Japanese Yen	36,631	11.54%	40,858	32,404
Mexican Peso	2,357	10.03%	2,593	2,121
Norwegian Krone	745	8.79%	810	680
Singapore Dollar	3,181	5.71%	3,363	2,999
South African Rand	2,236	11.31%	2,489	1,983
South Korean Won	6,251	6.56%	6,661	5,841
Swedish Krona	6,347	7.03%	6,793	5,901
Swiss Franc	27,523	7.42%	29,565	25,481
Taiwan Dollar	4,873	5.63%	5,147	4,599
US Dollar	162,996	8.07%	176,150	149,842
Other	7,091	5.21%	7,460	6,722
North America Basket	76,747	7.61%	82,587	70,907
Europe ex UK Basket	50,213	6.01%	53,231	47,195
Asia Pacific ex Japan Basket	18,817	6.11%	19,967	17,667
Emerging Basket	43,402	6.37%	46,167	40,637
Total Currency*	577,600	5.13%	607,210	547,990

*The % change for Total Currency includes the impact of correlation across the underlying currencies

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

and as at 31 March 2013:

Currency Risk (by currency)				
Currency	Value (£'000)	% Change	Value on Increase	Value on Decrease
Australian Dollar	4,631	10.0%	5,092	4,170
Brazilian Real	8,367	11.6%	9,339	7,395
Canadian Dollar	7,687	5.6%	8,118	7,256
Danish Krone	423	7.7%	456	390
EURO	71,274	7.8%	76,833	65,715
Hong Kong Dollar	7,197	8.5%	7,812	6,582
Indian Rupee	3,589	9.3%	3,922	3,256
Indonesian Rupiah	1,739	7.1%	1,862	1,616
Japanese Yen	38,999	11.8%	43,589	34,409
Mexican Peso	3,466	9.3%	3,788	3,144
Norwegian Krone	504	9.0%	550	458
Singapore Dollar	3,383	5.8%	3,579	3,187
South African Rand	1,577	12.0%	1,765	1,389
South Korean Won	6,397	7.6%	6,880	5,914
Swedish Krona	5,079	8.1%	5,492	4,666
Swiss Franc	25,052	9.4%	27,397	22,707
Taiwan Dollar	4,725	7.2%	5,063	4,387
Thai Baht	485	7.9%	523	447
Turkish Lira	1,787	8.8%	1,944	1,630
US Dollar	148,583	8.7%	161,569	135,597
Other	10,246	5.3%	10,789	9,703
North America Basket	71,710	8.3%	77,662	65,758
Europe ex UK Basket	43,392	7.2%	46,503	40,281
Asia Pacific ex Japan Basket	20,151	6.3%	21,423	18,879
Emerging Basket	43,021	6.4%	45,787	40,255
Total Currency*	533,464	5.2%	561,462	505,466

**The % change for Total Currency includes the impact of correlation across the underlying currencies*

24. Further Information

Further information about the fund can be found in Appendices 2 to 4. Information can also be obtained from the Chief Treasury & Technical Officer, Civic Centre, Oystermouth Road, Swansea SA1 3SN or on www.swanseapensionfund.org.uk.

25. Financial Position

The accounts outlined within the statement represent the financial position of the City and County of Swansea Pension Fund at 31st March 2014.

CITY & COUNTY OF SWANSEA PENSION FUND

Appendix 1

SCHEDULE OF EMPLOYING BODIES AND CONTRIBUTION RATES FOR THE PERIOD 1ST APRIL 2013 TO 31ST MARCH 2014

Contributors	Pensioners	Deferred Benefits	Employer Contribution Rate (% of Pensionable Pay) plus additional annual monetary amount	
Administering Authority	Number @ 31/03/14	Number @ 31/03/14	Number @ 31/03/14	
City & County of Swansea	8,136	4,430	4,207	22.4%
Scheduled Bodies				
Neath Port Talbot County Borough Council	5,341	3,027	3,927	22.0%
Briton Ferry Town Council	0	1	1	-
Cilybebyll Community Council	5	0	1	20.5%
Clydach Community Council	0	0	1	-
Coedffranc Community Council	2	3	1	19.1% (+ £11,600)
Gower College	401	184	373	14.1% (+ £217,000)
Lliw Valley BC	0	260	28	-
Margam Joint Crematorium Committee	2	13	5	19.1% (+ £11,600)
NPTC Group	537	180	305	13.9% (+ £184,000)
Neath Port Talbot Waste Management Co.	0	1	0	-
Neath Town Council	13	13	7	19.1% (+ £14,700)
Pelenna Community Council	2	1	3	17.1% (+ £380)
Pontardawe Town Council	5	1	0	19.3% (+ £230)
Swansea Bay Port Health Authority	2	9	2	19.1% (+ £15,800)
Swansea City Waste Disposal Company	0	18	3	18.3% (+ £30,700)
University of Wales Trinity St Davids	248	106	184	14.4% (+ £290,000)
West Glamorgan County Council	0	2,406	340	-
West Glamorgan Magistrates Courts	0	38	19	-
West Glamorgan Probation Service	0	56	9	-
West Glamorgan Valuation Panel	0	5	0	-
Admitted Bodies				
BABTIE	0	3	11	14.6%
Celtic Community Leisure	119	27	115	11.1%
Colin Laver Heating Limited	2	0	2	19.7%
Swansea Bay Racial Equality Council	2	0	1	23.7% (+ £2,400)
The Careers Business	0	4	11	-
Wales National Pool	52	3	38	14.5%
West Wales Arts Association	0	2	0	-
Capgemini	11	1	4	18.7%
NPT Homes	410	26	34	15.1%
Phoenix Trust	1	1	3	13.9%
Grwp Gwalia	285	14	28	20.4%
Total	15,576	10,833	9,663	

Legislative Changes in the Local Government Pension Scheme (LGPS)

LGPS 2014

A Government review of public sector pension schemes in 2011, chaired by Lord Hutton, recommended that significant reform was required to make them more sustainable and affordable in the long term, fair to public workers and the tax payer.

In response to the review, the Public Services Pensions Act 2013 provides the framework for reform and specifies some of the changes to be reflected in the new public sector schemes.

The majority of public sector schemes will be revised with effect from 1 April 2015; however, as part of the discussions to determine the terms of the new scheme, the Government agreed that the reformed Local Government Pension Scheme in England and Wales would come into effect on 1st April 2014, one year earlier than other public service schemes.

A consultation exercise took place during 2013 and the following regulations issued, which are effective from 1 April 2014.

a) The Local Government Pension Scheme Regulations 2013 were made on 12 September 2013.

The main changes include :

- A Career Average Revalued Earnings (CARE) Scheme where benefits accrue at 1/49th of pensionable pay for each year of membership and will subsequently be revalued by CPI.
- The definition of pensionable pay now includes non-contractual overtime and additional hours.
- Tiered contribution rates have now been extended and range from 5.5% for employees earning less than £13,500 per annum to 12.5% for employees earning more than £150,000 per annum.
- The rate of contribution is matched to actual pensionable pay rather than the whole-time equivalent of pensionable pay which has resulted in many part-time employees paying lower rate contributions.

Legislative Changes in the Local Government Pension Scheme (LGPS) (continued)

- Contribution flexibility has been introduced where members can pay 50% contributions for 50% of pension benefits.
 - Normal Pension Age in the LGPS is equal to the individual member's State Pension Age.
 - For new contracts commenced on or after 1 April 2014, the amount LGPS members may pay as Additional Voluntary Contributions (AVCs) is increased to 100% of pensionable pay; however, the amount of tax free cash available from the AVC fund at retirement is limited to 25% of the member's total AVC pot (tax implications would apply where the growth in pension benefits, including any AVC's paid, exceeds £40,000 in one year).
- b) The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 were made on 5 March 2014 and confirm that :
- Accrued pension rights built up to 31 March 2014 retain the final salary link for those employees who were LGPS members on 31 March 2014.
 - Provide a statutory underpin, to ensure a pension, at least equal to that under the 2008 Scheme for those members who were within 10 years of their Normal Pension Age on 1 April 2012.

Consultation - Reform of the LGPS Structure

In June 2013, the Government launched a call for evidence on the future structure of the LGPS to determine ways of significantly reducing the costs of the Scheme.

Building on the responses to the call for evidence, a consultation was issued on 1 May 2014, to be completed by 11 July 2014, setting out the Government's preferred approach to reform and seeking views, if adopted, how these reforms might be implemented effectively.

Investment Fund Management

The investment of the Fund is the responsibility of the Pension Fund Committee. The Committee as at 31st March 2014 comprised of :

- 7 Council Members (one member from Neath Port Talbot CBC representing other scheme members) advised by:
- Section 151 Officer
- Chief Treasury & Technical Officer
- 2 Independent Advisers.

The Committee, after taking account of the views of the independent advisers and appointed actuary to the Fund, is responsible for determining broad investment strategy and policy, with appointed professional fund managers undertaking the operational management of the assets.

The fund has implemented a fully diversified investment approach with a view to reducing the volatility of investment returns, whilst maintaining above benchmark growth. The fund employs the services of specialist managers to outperform in each asset class invested in.

The investment managers are:

- Global Equities - JP Morgan Asset Management and Aberdeen Asset Management
- Global Bonds - Goldman Sachs Asset Management
- Fund of Hedge Funds - BlackRock and Fauchier Partners
- Fund of Private Equity Funds - Harbourvest
- Property - Invesco
- Fund of Property Funds - Partners Group and Schrodgers Investment Management
- Global Tactical Asset Allocation (GTAA) - BlackRock (ex BGI)

Other Fund Documents

The City & County of Swansea Pension Fund is required by regulation to formulate a number of regulatory documents outlining its policy. Copies of the :

- Statement of Investment Principles
- Governance Statement
- Funding Strategy Statement
- Communication Policy

are available on request from the City & County of Swansea Pension Fund website
<http://www.swanseapensionfund.org.uk/>

GROUP ACCOUNTS

Introduction

1. These accounts consolidate the City and County of Swansea's accounts with the accounts of companies in which the Authority has an interest and are considered to be part of our group.

2. The CIPFA Code of Practice on Local Authority Accounting 2013/14 requires that Group Accounting Statements have to be prepared, consolidating the accounts of the parent and any subsidiary, associate or joint undertakings. An assessment of the activities and interests of City and County of Swansea has been undertaken, which has determined that City and County of Swansea Group consists of the local authority as the parent, and the following companies:

Swansea City Waste Disposal Limited (SCWDC)	Subsidiary until 31st July 2013
Wales National Pool Swansea (WNPS)	Joint Venture
National Waterfront Museum Swansea (NWMS)	Joint Venture
Swansea Stadium Management Company Limited (SSMC)	Associate
Bay Leisure Limited	Associate

3. The nature of the Authority's interest in these companies and the basis for the estimation of the degree of control the Authority holds is detailed below:-

- Swansea City Waste Disposal Company Limited - Subsidiary

The Company is a wholly owned subsidiary of the Authority until 31st July 2013. The Authority owned the total issued share capital of the Company comprising 4,879,000 ordinary shares of £1.

The activities of the Company involve the management of the baling plant, civic amenity sites and the central land disposal site at Tir John and the management of significant waste disposal contract payments for the disposal of waste at sites in Merthyr and Haverfordwest in South Wales.

The nature of the Company's activities is such that net worth (and hence the value of the Authority's shareholding) will diminish substantially over time, due to the commercial value of the landfill site diminishing as its capacity to accept waste comes to an end.

The effect of this is that the Authority's investment value in the company would be reduced if it was not already held at zero.

The net liabilities of Swansea City Waste Disposal Company Limited as at 31st March 2013 are £4.323m.

In January 2013 the Authority made a decision to undertake future waste disposal operations in-house rather than through the Company. This was formally undertaken with effect from 31st July 2013 and as of that date all Assets, Liabilities and Balances of the Company were transferred to the City and County of Swansea. The Swansea City Waste Disposal Company has ceased trading and is a dormant company.

- Wales National Pool Swansea – Joint Venture

The Wales National Pool Swansea ("the Company") is a company limited by guarantee. The purpose of the company is to operate the Wales National 50 Metre Pool which is located in Swansea.

Under the constitution of the Company, the Authority has appointed three directors to the Board of the Company, three further directors have been appointed by the University of Wales (Swansea) with one further appointed independent director.

GROUP ACCOUNTS

The City and County of Swansea was responsible for the construction of the pool complex, with the bulk of funding being supplied by the National Lottery Sports Foundation. The pool has been constructed on land owned by the University of Wales, Swansea. The pool complex is leased to the company at a peppercorn rent. Due to the nature of the facility, which is unlikely to show profitability, the development is not thought to have a high commercial value.

The net assets of Wales National Pool (Swansea) Limited at 31st March 2014 are zero (2013 zero).

- National Waterfront Museum Swansea (NWMS) - Joint Venture

The National Waterfront Museum Swansea (“the Company”) is limited by guarantee and is a registered charitable trust (charity number 1090512). The Company has seven directors, of which three are appointed by the City and County of Swansea, three by the National Museums and Galleries of Wales, with the seventh director being an independent chairman.

The purpose of the Company was to develop the National Industrial and Maritime Museum at Swansea which opened in Spring 2006. The Company derived its funds from several sources, including the Welsh Government, The National Museums and Galleries of Wales, the former Welsh Development Agency and the Heritage Lottery Fund.

During 2002/03, the Authority granted a lease to the Company of a substantial portion of the site on which the new museum has been developed. The lease was granted at a peppercorn rental. This lease constitutes the Authority’s commitment to the scheme.

The completed museum has been leased to the National Museums and Galleries of Wales at a peppercorn rent by the Company.

The net assets of the National Waterfront Museum Swansea at 31st March 2014 are £19,147,639 (2013 £19,304,747).

- Swansea Stadium Management Company Limited (SSMC) – Associate

In March 2005, the City and County of Swansea purchased shares to the value of £50,000 in Swansea Stadium Management Company Limited, a company formed to operationally run the Liberty Stadium in Swansea. The stadium is a circa- 20,000 seat stadium, and is the home to Swansea City AFC Limited and Ospreys Rugby Limited.

The stadium also has a number of banqueting and hospitality suites which can also be used for activities outside of sporting events.

The stadium was constructed by the City and County of Swansea, and is leased to SSMC on a 50 year lease. The shareholding represents a one-third holding in the company with the other shares held by the above organisations equally.

GROUP ACCOUNTS

The constitution of the Company is such that although all shareholders have an equal vote in operational issues, for matters deemed of a significant nature the City and County of Swansea may veto any decisions made by the Board, including the appointment of senior officers and the commissioning of events to be held at the stadium.

Although the Authority is able to share in any surplus the Company may make on trading operations, it is indemnified from contributing to any loss under a specific supplementary Joint Venture Agreement made with the remaining shareholders during 2006. On the basis that the Company has been loss making during 2013/14 and the profit was immaterial in 2012/13 the company's results have not been consolidated into the Group Accounts.

- Bay Leisure Limited – Associate

This is a company limited by guarantee which has been established as a non profit making trust in order to undertake the day-to-day management of the “LC”, which is a purpose built leisure complex in Swansea.

The LC was officially opened on 18th March 2008.

The Authority's interest in the company is limited to a guarantee of £1 together with the appointment of two directors out of eleven who make up the Board.

The Authority is obliged to consider funding requests from the Company on an annual basis and will commit each financial year to making payment in respect of an agreed management fee which is negotiated annually. No consolidation of the Company's results has been undertaken in 2012/13 or 2013/14 due to the immateriality of the Company's results.

The net assets of Bay Leisure Limited at 31st March 2014 are £312,380 (2013 £372,262).

GROUP ACCOUNTS

4. The core Group Accounts for 2013/2014 consists of:-

- **The Group Movement In Reserves Statement** which shows the movement on the different reserves held by the Group.
- **The Group Income and Expenditure Statement** which records the income and expenditure on the Group's activities.
- **The Group Balance Sheet** which sets out all the assets and liabilities of the Group and the reserves and liabilities that underlay those net assets.
- **The Group Cash Flow Statement** which summarises the inflows and outflows of cash and cash equivalents arising from transactions with parties external to the Group.

5. Accounting Policies and Notes to the Accounting Statements

Notes have been provided to the Group Accounting Statements only where the disclosure for the Group differs from that required for the Local Authority due to the combination of the accounts of the various entities. Applicable Accounting Policies are outlined in Note 1 in the Notes to the Council Financial Statements.

6. Intra-group transactions and balances

Where necessary, transactions between the various Group members have been eliminated from the Group Income and Expenditure figures so as not to overstate these figures in the Group Income and Expenditure Statement. Similarly, balances owed between the Group members have been eliminated to the extent that they exist as at 31st March 2014.

7. Effect of IAS 19 Pension Liabilities on Group Reserves.

IAS 19 requires that entries are included in the Group Balance Sheet for the Group's share of assets and liabilities of the Local Authority Pension Scheme.

The requirement of IAS 19 in relation to Local Authority Accounts allows the creation of a debit reserve (the Pension Reserve) which effectively offsets the liabilities that have been created by the calculated deficit in relation to the pension fund as at 31st March 2014.

All the employees of the Swansea City Waste Disposal Company were transferred to the Authority during the year and the overall pension liability has been amalgamated into the Authority's pension liability.

GROUP MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves.

The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

GROUP MOVEMENT IN RESERVES STATEMENT

Restated 2012/13

Balance at 31 March 2012

Movement in reserves during 2012/13

	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000	Authority's Share of Subsidiaries, Associates and Joint Ventures £'000	Total Group Reserves £'000
Balance at 31 March 2012	6,277	54,438	16,058	13,089	19,951	109,813	59,757	169,570	-1,367	168,203
Movement in reserves during 2012/13										
Surplus or (deficit) on the provision of services	-26,609	0	-4,750	0	0	-31,359	0	-31,359	6,697	-24,662
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	21,952	21,952	0	21,952
Total Comprehensive Income and Expenditure	-26,609	0	-4,750	0	0	-31,359	21,952	-9,407	6,697	-2,710
Adjustments between accounting basis & funding basis under regulations	30,999	0	2,622	-2,226	5,212	36,607	-36,607	0	0	0
Net Increase/Decrease before Transfers to Earmarked Reserves	4,390	0	-2,128	-2,226	5,212	5,248	-14,655	-9,407	6,697	-2,710
Transfers to Earmarked Reserves	2,488	-2,416	28	-100	0	0	0	0	0	0
Decrease/Increase in 2012/13	6,878	-2,416	-2,100	-2,326	5,212	5,248	-14,655	-9,407	6,697	-2,710
Balance at 31 March 2013 carried forward	13,155	52,022	13,958	10,763	25,163	115,061	45,102	160,163	5,330	165,493

GROUP MOVEMENT IN RESERVES STATEMENT

2013/14

	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000	Authority's Share of Subsidiaries, Associates and Joint Ventures £'000	Total Group Reserves £'000
Balance at 31 March 2013 brought forward	13,155	52,022	13,958	10,763	25,163	115,061	45,102	160,163	5,330	165,493
Movement in reserves during 2013/14										
Deficit on the provision of services	-23,625	0	-730	0	0	-24,355	0	-24,355	4,244	-20,111
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	219,761	219,761	0	219,761
Total Comprehensive Income and Expenditure	-23,625	0	-730	0	0	-24,355	219,761	195,406	4,244	199,650
Adjustments between accounting basis & funding basis under regulations	26,942	0	1,088	1,044	-3,182	25,892	-25,892	0	0	0
Net Decrease/Increase before Transfers to Earmarked Reserves	3,317	0	358	1,044	-3,182	1,537	193,869	195,406	4,244	199,650
Transfers from/to Earmarked Reserves	-3,317	2,964	-349	702	0	0	0	0	0	0
Decrease/Increase in Year	0	2,964	9	1,746	-3,182	1,537	193,869	195,406	4,244	199,650
Balance at 31 March 2014 carried forward	13,155	54,986	13,967	12,509	21,981	116,598	238,971	355,569	9,574	365,143

GROUP INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Restated 2012/13			2013/14		
Gross	Gross	Net	Gross	Gross	Net
Expenditure £'000	Income £'000	Expenditure £'000	Expenditure £'000	Income £'000	Expenditure £'000
					Central services
27,034	-23,276	3,758	7,659	-3,867	3,792
					to the public
34,334	-10,969	23,365	39,580	-13,701	25,879
					Cultural and
					related services
277,288	-55,774	221,514	280,751	-52,790	227,961
					Education and
					children's
					services
44,710	-24,036	20,674	49,624	-28,794	20,830
					Highways and
					transport
57,948	-50,028	7,920	57,643	-51,930	5,713
					Local authority
					housing (HRA)
111,289	-107,836	3,453	111,845	-103,569	8,276
					Other housing
					services
98,300	-29,635	68,665	98,651	-25,344	73,307
					Adult social care
					Environmental
					and regulatory
36,481	-22,896	13,585	33,880	-16,223	17,657
					services
					Planning
25,903	-14,659	11,244	23,853	-11,735	12,118
					services
					Corporate and
14,171	-10,105	4,066	23,129	-7,170	15,959
					democratic core
					Non distributed
17,545	-2,186	15,359	11,822	-2,243	9,579
					costs - other
					Cost of
745,003	-351,400	393,603	738,437	-317,366	421,071
					Services

GROUP INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Gross Expenditure £'000	Restated 2012/13 Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	2013/14 Gross Income £'000	Net Expenditure £'000
26,432	0	26,432	Other operating expenditure	25,105	0	25,105
44,648	-6,796	37,852	Financing and investment income and expenditure (Note 13)	78,095	-47,104	30,991
0	-433,303	-433,303	Taxation and non-specific grant income (Note 14)	0	-457,135	-457,135
		24,584	(Surplus) or Deficit on Provision of Services			20,032
		78	Share of the surplus or deficit on the provision of services by associates and joint ventures			79
		24,662	Group (Surplus)/ Deficit			20,111

GROUP INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Gross	Restated 2012/13 Gross	Net	Gross	2013/14 Gross	Net
Expenditure £'000	Income £'000	Expenditure £'000	Expenditure £'000	Income £'000	Expenditure £'000
		(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			-46,401
		-58,972			
		Actuarial losses / gains on pension assets / liabilities			-173,360
		37,020			
		Other Comprehensive Income and Expenditure			-219,761
		-21,952			
		Total Comprehensive Income and Expenditure			-199,650
		2,710			

GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2013 £'000	31 March 2014 £'000
Property, Plant & Equipment	
112,652 Council dwellings	131,718
539,163 Other land and buildings	537,762
11,769 Vehicles, plant, furniture and equipment	12,956
220,894 Infrastructure assets	229,390
11,713 Community assets	11,324
7,294 Surplus assets	6,173
12,099 Assets under construction	28,983
915,584	958,306
26,096 Heritage Assets	26,127
114,202 Investment Property	122,163
1,610 Intangible Assets	1,188
74 Long Term Investments	74
9,653 Investments in Associates and Joint Ventures	9,574
906 Long Term Debtors	1,741
1,068,125 Long Term Assets	1,119,173
83,724 Short Term Investments	36,178
1,269 Assets Held for Sale	767
2,185 Inventories	1,965
58,601 Short Term Debtors (Note 8)	58,217
28,352 Cash and Cash Equivalents (Note 11)	64,727
174,131 Current Assets	161,854
-11,688 Short Term Borrowing	-12,367

GROUP BALANCE SHEET

31 March 2013 £'000	31 March 2014 £'000
-56,704 Short Term Creditors (Note 9)	-62,710
-37,937 Provisions (Note 10)	-29,912
-106,329 Current Liabilities	-104,989
-5,015 Long Term Creditors	-3,589
-18,319 Provisions (Note 10)	-14,418
-320,101 Long Term Borrowing	-312,188
-626,999 Other Long Term Liabilities	-480,700
-970,434 Long Term Liabilities	-810,895
165,493 Net Assets	365,143
Usable Reserves	
19,884 Balances - General Fund	22,729
13,958 Balances - Housing Revenue Account	13,967
10,763 Capital Receipts Reserve	12,509
25,163 Capital Grants Unapplied Account	21,981
52,022 Earmarked Reserves	54,986
121,790	126,172
Unusable Reserves (Note 12)	
167,061 Revaluation Reserve	202,928
-626,999 Pensions Reserve	-480,700
512,649 Capital Adjustment Account	525,447
-1,321 Financial Instrument Adjustment Account	-1,434
-7,687 Accumulated Absences Account	-7,270
43,703	238,971
165,493 Total Reserves	365,143

GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

<u>2012/13</u>	<u>2013/14</u>
<u>£'000</u>	<u>£'000</u>
-24,584 Net surplus / deficit on the provision of services	-20,032
Adjustments to net surplus or deficit on the provision of services for 95,407 non-cash movements	80,162
Adjustments for items included in the net surplus or deficit on the -37,242 provision of services that are investing and finance activities	-38,201
<hr/> 33,581 Net cash flows from operating activities (note 15)	<hr/> 21,929
-10,939 Investing activities (note 16)	21,680
-25,409 Financing activities (note 17)	-7,234
<hr/> -2,767 Net increase or decrease in cash and cash equivalents	<hr/> 36,375
31,119 Cash and cash equivalents at the beginning of the operating period	28,352
<hr/> Cash and cash equivalents at the end of the operating period <u>28,352 (note 11)</u>	<hr/> <u>64,727</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Intra-Group Transactions

The following intra-group transactions have been eliminated on preparation of the Group Income & Expenditure Statement:

<u>2012/13</u> <u>£'000</u>		<u>2013/14</u> <u>£'000</u>
9,062	Sales to City and County of Swansea	0
-218	Purchases from City and County of Swansea	0
-107	Rent, Rates & Royalties	0
753	Debtors	0
-217	Creditors	0

2. Continuing Group Activities

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", all Group activities were classified as 'Continuing' during the year. There were no material acquisitions or discontinuations of services as defined by the Standard.

3. Pension Costs

In addition to the City and County of Swansea, the Swansea City Waste Disposal Company Limited contributes to the CCS Pension Fund, at a common rate applicable to a group of employers which is set having regard to the assets and liabilities of the group as a whole.

The Swansea City Waste Disposal Company Limited contributions to the scheme for the year ended 31st March 2013 amounted to £63k.

Further analysis can be found in the Notes to the City and County of Swansea Pension Fund (pages 140 to 177).

4. Tax on Profit on Ordinary Activities

The Group's total tax liability on profits generated arises out of the activities of the subsidiary, Swansea City Waste Disposal Company Limited.

There was no tax chargeable for 2012/13.

NOTES TO THE GROUP FINANCIAL STATEMENTS

5. Analysis of Net Assets Employed

The total net assets of the Group can be analysed according to the relevant entity to which they relate, as follows:

31st March 2013 £'000		31st March 2014 £'000
785,763	City and County of Swansea (Parent)	836,269
-2,924	Swansea City Waste Disposal Company Limited (Subsidiary)	0
9,653	National Waterfront Museum Swansea (Joint Venture)	9,574
792,492	Net Assets Employed (exc. Pension Fund)	845,843
-626,999	Net Group Pension Fund Liabilities	-480,700
165,493	Net Assets Employed	365,143

6. Construction of the Group Accounts

The following are the dates of relevant company accounts used for consolidation:-

Swansea City Waste Disposal Company Limited - Annual report for the year ending 31st March 2012, Management Accounts have been received for the year ending 31st March 2013,
National Waterfront Museum Swansea - Draft Financial Statements for the year ending 31st March 2014,

Wales National Pool Swansea - Report and financial statements for the year ended 31st July 2013.

In the opinion of the Authority the use of the above information is likely to adequately reflect the extent and nature of group income and expenditure and assets and liabilities that exist as at 31st March 2014 and the use of current information would not be significant in relation to the group position as stated.

NOTES TO THE GROUP FINANCIAL STATEMENTS

7. Access to benefits and exposure to risk of potential losses in respect of the Associated Companies

The City and County of Swansea (the Parent company) does not believe that it will receive a material benefit in the form of income or dividends from the related companies, and does not expect to make any contributions over and above the normal budgeted requirement. Since the related companies are limited by guarantee, any losses to the Authority will be limited to the value of the guarantee in each entity.

8. Short Term Debtors

31st March	31st March
2013	2014
£'000	£'000
32,566 Central government bodies	33,798
1,274 Other local authorities	4,778
2,154 NHS bodies	2,730
4 Public corporations and trading funds	73
21,124 Other entities and individuals	15,548
1,479 Payments In Advance	1,290
58,601	58,217

9. Creditors

31st March	31st March
2013	2014
£'000	£'000
5,867 Central government bodies	10,804
5,681 Other local authorities	5,168
549 NHS bodies	676
592 Public corporations and trading funds	542
38,528 Other entities and individuals	37,977
5,487 Receipts In Advance	7,543
56,704	62,710

NOTES TO THE GROUP FINANCIAL STATEMENTS

10. Provisions

Provisions are amounts set aside to meet specific liabilities, the amount or timing of which cannot be accurately determined.

2013/14

Short - term and long - term

	Outstanding Legal Cases £'000	Injury and Damage Compensation Claims £'000	Employee Benefits £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2013	219	7,994	32,040	16,003	56,256
Additional provisions made in 2013/14	0	5,269	158	1,290	6,717
Amounts used in 2013/14	-4	-4,554	-7,727	-1,218	-13,503
Unused amounts reversed in 2013/14	0	0	0	-5,140	-5,140
Balance at 31 March 2014	215	8,709	24,471	10,935	44,330

2012/13

Short - term and long - term

	Outstanding Legal Cases £'000	Injury and Damage Compensation Claims £'000	Employee Benefits £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2012	359	7,296	27,807	17,194	52,656
Additional provisions made in 2012/13	0	6,088	4,233	8,990	19,311
Amounts used in 2012/13	-102	-5,390	0	-1,082	-6,574
Unused amounts reversed in 2012/13	-38	0	0	-9,099	-9,137
Balance at 31 March 2013	219	7,994	32,040	16,003	56,256

NOTES TO THE GROUP FINANCIAL STATEMENTS

The provision for the expected costs for restoring and maintaining the company's landfill site after the end of its useful life in the company's business relates to the expected costs that the directors consider would discharge the company's obligation for the restoring and maintenance of the landfill site relating to the company's usage of the site. The maintenance period taken into account is 60 years after the landfill site has reached the end of its useful life in the company's business. This was increased during earlier periods from 30 years following additional guidance provided by the Environment Agency. In accordance with this guidance, no account is taken of the inflation rate at the time this provision is calculated and the provision has not been discounted to net present values as there is no consistent and proven real rate of return on the funds. The provision for such costs has been based on the directors' best estimate of costs which will be borne by the company. The expected costs are subject to periodic review.

At 31 March 2013 the provision amounted to £11,500,000, however the amount may be subject to significant variation as the extent to which the site can be utilised is determined eventually. The eventual closure and restoration costs of the landfill site will need to be assessed once the future development plans for the site are finalised. The costs to be incurred may need to be revised significantly at that time.

At 31 March 2014 the provision is £7,250,000 as £4,250,000 has been released through the Comprehensive Income and Expenditure Statement following an updated valuation of the provision relating to after care and capping at the Tir John site.

11. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	31st March 2013	31st March 2014
	£'000	£'000
Cash held by the Group	152	131
Bank current accounts	28,200	64,596
Total Cash and Cash Equivalents	28,352	64,727

NOTES TO THE GROUP FINANCIAL STATEMENTS

12. Unusable Reserves

31st March 2013 £'000	31st March 2014 £'000
167,061 Revaluation Reserve	202,928
512,649 Capital Adjustment Account	525,447
-1,321 Financial Instruments Adjustment Account	-1,434
-626,999 Pensions Reserve	-480,700
-7,687 Accumulated Absences Account	-7,270
<u>43,703 Total Unusable Reserves</u>	<u>238,971</u>

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 6 of the Authority's Financial Statements provide details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

NOTES TO THE GROUP FINANCIAL STATEMENTS

2012/13		2013/14
£'000		£'000
520,057	Balance at 1st April	512,649
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
	Charges for depreciation and impairment of non-current assets	
-70,008		-74,402
	Revaluation losses on Property, Plant and Equipment	
-3,704		596
-750	Amortisation of intangible assets	-507
	Revenue expenditure funded from capital under statute	
-9,234		-10,299
	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	
-2,703		-3,724
<u>-86,399</u>		<u>-88,336</u>
	Adjusting amounts written out of the Revaluation Reserve	
<u>6,873</u>		<u>10,507</u>
	Net written out amount of the cost of non-current assets consumed in the year	
-79,526		-77,829
	Capital financing applied in the year:	
	Use of the Capital Receipts Reserve to finance new capital expenditure	
5,678		5,154
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	
32,033		41,363
	Statutory provision for the financing of the capital investment charged against the General Fund and HRA balances	
14,735		15,341
	Capital expenditure charged against the HRA and General Fund balances	
<u>19,217</u>		<u>20,552</u>
71,663		82,410

NOTES TO THE GROUP FINANCIAL STATEMENTS

2012/13 £'000	2013/14 £'000
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	8,217
512,649 Balance at 31st March	525,447

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2012/13 £'000	2013/14 £'000
-566,879 Balance at 1st April	-626,999
Remeasurements of the net defined benefit liability	174,850
Net increase in assets & liabilities from disposals/acquisitions	-1,490
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-62,241
Past service cost adjustment	-3,390
Employer's pensions contributions and direct payments to pensioners payable in the year	38,570
-626,999 Balance at 31st March	-480,700

The remaining Unusable Reserves are not disclosed within the Group Notes as there is no group impact.

NOTES TO THE GROUP FINANCIAL STATEMENTS

13. Financing and Investment Income and Expenditure

2012/13			2013/14		
Gross Exp £'000	Gross Income £'000	Net Exp £'000	Gross Exp £'000	Gross Income £'000	Net Exp £'000
18,274	0	18,274	17,872	0	17,872
			Interest payable and similar charges		
25,980	0	25,980	59,670	-33,190	26,480
			Net interest on the net defined benefit liability		
0	-1,095	-1,095	0	-412	-412
			Interest receivable and similar income		
394	-5,701	-5,307	553	-13,502	-12,949
			Income and expenditure in relation to investment properties and changes in their fair value		
44,648	-6,796	37,852	78,095	-47,104	30,991

14. Taxation and Non Specific Grant Income

2012/13 £'000	2013/14 £'000
-103,105	-88,905
Council tax income	
-64,518	-74,941
Non domestic rates	
-235,656	-254,557
Non-ringfenced government grants	
-30,024	-38,732
Capital grants and contributions	
-433,303	-457,135

15. Cash Flow Statement - Operating Activities

2012/13 £'000	2013/14 £'000
1,452	412
Interest received	
-18,341	-17,872
Interest paid	
-16,889	-17,460

NOTES TO THE GROUP FINANCIAL STATEMENTS

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2012/13 £'000	2013/14 £'000
71,136 Depreciation	74,402
3,249 Impairment and downward revaluations	-8,813
750 Amortisation	507
668 Increase in creditors	6,067
-4,549 Increase in debtors	-5,402
-275 (Increase)/decrease in inventories	220
23,100 Movement in pension liability	27,061
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	-3,724
Other non-cash items charged to the net surplus or deficit on the provision of services	-10,156
4,031	80,162
95,407	

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2012/13 £'000	2013/14 £'000
Any other items for which the cash effects are investing or financing cash flows	-38,201
-37,242	-38,201
-37,242	

16. Cash Flow Statement - Investing Activities

2012/13 £'000	2013/14 £'000
-66,021 Purchase of property, plant and equipment, investment property and intangible assets	-75,216
-874,516 Purchases of short-term and long-term investments	-580,589
3,450 Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,198
888,389 Proceeds from short-term and long-term investments	628,135
37,759 Other receipts from investing activities	43,152
-10,939	21,680
Net cash flows from investing activities	

NOTES TO THE GROUP FINANCIAL STATEMENTS

17. Cash Flow Statement - Financing Activities

2012/13		2013/14
£'000		£'000
3,541	Cash receipts of short and long-term borrowing	0
<u>-28,950</u>	Repayments of short and long-term borrowing	<u>-7,234</u>
<u>-25,409</u>	Net cash flows from financing activities	<u>-7,234</u>

HEAD OF FINANCE AND DELIVERY CERTIFICATE & STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

I hereby certify that the statement of accounts on pages 3 to 139 and pages 178 to 201 presents a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31st March 2014.

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Financial Officer, namely the Head of Finance and Delivery;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the statement of accounts.

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Date of Authorisation for Issue

The 2013/14 Statement of Accounts was authorised for issue on 30th September 2014 by Mike Hawes, Head of Finance and Delivery who is the Section 151 Officer of the Council. This is the date up to which events after the Balance Sheet date have been considered.

The 2013/14 Statement of Accounts was formally approved by Council on 30th September 2014.

Chairman

Date

Independent auditor's report to the Members of City and County of Swansea

I have audited the accounting statements and related notes of:

- The City and County of Swansea; and
- The City and County of Swansea Group; and
- The City and County of Swansea Pension Fund

for the year ended 31 March 2014 under the Public Audit (Wales) Act 2004.

The City and County of Swansea's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement and the Housing Revenue Account Income and Expenditure Statement.

The City and County of Swansea's Group accounting statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet and the Group Cash Flow Statement.

The City and County of Swansea Pension Fund's accounting statements comprise the Fund Account and the Net Assets Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of the responsible financial officer and the independent auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 202, the responsible financial officer is responsible for the preparation of the statement of accounts, including the City and County of Swansea's Group accounting statements and the City and County of Swansea Pension Fund's accounting statements, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounting statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the City and County of Swansea's and the City and County of Swansea's Group and the City and County of Swansea Pension Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of the City and County of Swansea

In my opinion the accounting statements and related notes:

AUDITORS' REPORT TO THE CITY & COUNTY OF SWANSEA

- give a true and fair view of the financial position of the City and County of Swansea as at 31 March 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14.

Opinion on the accounting statements of the City and County of Swansea Group

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of the City and County of Swansea Group as at 31 March 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14.

Opinion on the accounting statements of the City and County of Swansea Pension Fund

In my opinion, the pension fund accounts and related notes:

- give a true and fair view of the financial transactions of the City and County of Swansea Pension Fund during the year ended 31 March 2014 and of the amount and disposition of the fund's assets and liabilities as at that date, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14.

Opinion on other matters

In my opinion, the information contained in the Explanatory for the financial year for which the accounting statements and related notes are prepared is consistent with the accounting statements and related notes.

Matters on which I report by exception

I have nothing to report in respect of the Annual Governance Statement on which I report to you if, in my opinion, it does not reflect compliance with 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE in June 2007, or if the statement is misleading or inconsistent with other information I am aware of from my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the City and County of Swansea in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales.

**Appointed Auditor
Wales Audit Office
24 Cathedral Road
CF11 9LG**

30 September 2014

1. Scope of Responsibility

- 1.1 The City and County of Swansea is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the City and County of Swansea is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk
- 1.3 The City and County of Swansea has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. A copy of the Code is on our website at <http://www.swansea.gov.uk/corporategovernance>. This statement explains how the Authority has complied with the Code.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at the City and County of Swansea for the year ended 31 March 2014 and up to the date of approval of the Statement of Accounts

3. The Governance Framework

3.1 The CIPFA/SOLACE governance framework identifies the following 6 fundamental principles of corporate governance

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

3.2 Council approved its Code of Corporate Governance on 19th June 2008 based on the 6 principles outlined above.

3.3 The key elements of the policies, systems and procedures that comprise the governance framework in the Council are shown below and linked to the 6 fundamental principles

3.4 Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

- The **Council** is made up of 72 councillors who are democratically accountable to residents and have an overriding duty to the whole community. Council decides overall policies and sets the annual budget as well as receiving reports from Scrutiny Boards, Cabinet Members and Officers.
- The Council is required, under the Local Government (Wales) Measure 2011 to put in place a system to publish a **Councillors Annual Report** in relation to their activities. A template report has been agreed by the Democratic Services Committee and any reports submitted by Councillors are published on the Council's website.
- The forward looking **Corporate Improvement Plan** which is produced under the Local Government (Wales) Measure 2009 summarises the Council's improvement objectives and associated priorities, targets and milestones.
- An **Annual Performance Review** is undertaken which provides a commentary on the progress made by the Council in meeting the priorities, actions and targets set out in the Corporate Improvement Plan.

ANNUAL GOVERNANCE STATEMENT 2013/14

- The Council publishes a **Single Integrated Plan** which replaces the Community Strategy. The Plan is developed by the Local Service Board following a Single Needs Assessment and Consultation Exercise.
- A **Code of Corporate Governance** based on the CIPFA/SOLACE governance framework has been adopted by the Council.
- A **Business Planning Process** exists which aims to more clearly align previously disparate budget and planning processes, such as equalities, sustainability and risk management into a 4 year planning cycle with an annual review. Each Head of Service must produce a Business Plan and an e-learning tool and Business Planning Toolkit is available to ensure consistency across the Council.
- A **Medium Term Financial Plan** is approved by Council each year which provides for a balanced budget in the following year and a projection for the next 3 years based on a combination of detail, where known, and forecasts based on best available evidence.

3.5 Members and officers working together to achieve a common purpose with clearly defined functions and roles

- A **Council Constitution** exists which sets out the framework and rules governing the Council's business described in 16 Articles. The Constitution also includes a Scheme of Delegation and a number of Rules of Procedure, Codes and Protocols as well as the Councillors' Allowances Scheme.
- A **Constitution Working Group** exists to review all aspects of the Council Constitution and to make appropriate recommendations for change.
- Separate **Codes of Conduct** exist in the Council Constitution for **Members and Officers** which describe the high standard of conduct expected of them. There is also a **Member/Officer Protocol** which guides the relationship between them to ensure the smooth running of the Council.
- The **Chief Executive**, as Head of the Paid Service, leads the Council's officers and chairs the Executive Board
- A new **Corporate Management Structure** was put in place during 2013/14 with Directorates for People, Place and Corporate Services being established to deliver thematic and cross cutting working across the Council and across partnerships. The Executive Board, Directors' Group and Top Managers Group were established from 01/09/13 with specific roles and project portfolios.
- The Head of Finance and Delivery is designated the Council's **S151 Officer** and is responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper

financial records and accounts and for maintaining an effective system of internal financial control.

- The Council's financial management arrangements during 2013/14 complied with the governance requirements of the **CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)**.
- An **Audit Committee** exists to review and scrutinise the Council's financial affairs, review and assess the risk management, internal control and corporate governance arrangements, oversee the internal and external audit arrangements and review the financial statements.
- The Head of Legal, Democratic Services and Procurement has been designated as the Council's **Monitoring Officer** and is responsible for investigating and reporting on any allegations of contraventions to any laws, policies, procedures, regulations or maladministration and breaches of the Council's Constitution
- The Council is the Administering Authority for the **City and County of Swansea Pension Fund** and is responsible for all issues relating to the governance of the Pension Fund. For 2013/14, the functions were undertaken by the Pension Fund Committee which replaced the Pension Fund Panel with effect from 01/04/13.

3.6 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- The Council has defined its **Values** as Innovation, Teamwork, Caring, Respect, Enthusiasm and Openness. A detailed description of each value and what it means to the Council is available on the Intranet.
- The **Standards Committee** made up of 4 councillors and 5 independent members promotes and maintains high standards of conduct by Councillors, assists Councillors to observe their Code of Conduct, monitors the operation of the Code and deals with breaches of the Code of Conduct referred to them by the Public Service Ombudsman for Wales
- The **Anti Fraud and Corruption Policy** applies to all councillors and employees. It outlines the Council's commitment to preventing, discouraging, detecting and investigating fraud and corruption whether attempted on the Council or from within the Council. The Policy was reviewed and updated in 2013/14 and published in the new online Employee Handbook which went live on 01/04/14.
- A new **Corporate Complaints Policy** based on the Welsh Government Model for complaints handling was adopted by Council on 14/03/13. The policy governs the investigation of complaints from members of the public including complaints about service provision. A Corporate Complaints Annual Report is presented to Cabinet each year.

- A **Whistle Blowing Policy** exists which encourages and enables employees to raise serious concerns without fear of harassment or victimisation. The Policy was reviewed and updated in 2013/14 and published in the new online Employee Handbook which went live on 01/04/14.
- The **Internal Audit Section** operates in accordance with the Public Sector Internal Audit Standards and is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3.7 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

- The **Decision Making** process is clearly set out in the Constitution along with the scheme of delegation and the terms of reference of Cabinet, Committees, Scrutiny Boards, Panels, Forums and Groups.
- The **Cabinet** (as Executive) is responsible for most day to day decisions and acts in line with the Council's overall policies and budget. Following the Election in May 2012, a new Cabinet structure was put in place based on new portfolios and cross-cutting themes.
- A **Challenge Panel** consisting of 12 members considers any Cabinet decisions which have been 'called in' if the Chair of the Council accepts that the call in is valid. The criteria used by the Chair to decide on validity are tightly set and the Chair receives appropriate advice from officers. The Challenge Panel considers whether the decision is a well founded and appropriate decision of Cabinet
- All reports to Council and Cabinet must include paragraphs detailing the **Financial, Legal and Equality and Engagement Implications** of the report.
- The **Scrutiny Programme Committee** is responsible for developing the Council's Scrutiny Work Programme via a single workplan, holding Cabinet Members to account and providing challenge on specific themes. The Committee will set up informal **Scrutiny Panels and Working Groups** to undertake the detailed work of scrutiny and will appoint **Scrutiny Conveners** to chair the various Scrutiny Panels
- The role of **Scrutiny** is to improve the performance of services, provide an effective challenge to the Executive and engage non-executive members and the public in the development of policies, strategies and plans. The primary purpose of Scrutiny is to add value to the work of the Council and act as a critical friend to Cabinet and other decision makers in order to promote better services, policies and decisions.

- A **Scrutiny Work Planning Conference** is held each year to choose topics for review and a **Scrutiny Annual Report** is presented to the Scrutiny Programme Committee.
- A **Corporate Risk Policy** is in place which describes how risk management is implemented in the Council to support the realisation of strategic objectives. A **Risk Management Framework** also exists which aims to help managers and members at all levels to apply risk management principles consistently across their areas of responsibility.
- Corporate, Directorate and Service **Risk Registers** are in place to capture all risks that could affect the Council

3.8 Develop the capacity and capability of members and officers to be effective

- **Induction courses** are held for all new councillors and employees and a detailed **Councillors Training Programme** is delivered on an annual basis.
- Regular **Cabinet and Executive Board Away Days** are held where thematic issues are discussed such as Sustainable Swansea – fit for the future, One Swansea Plan and poverty and prevention.
- A new **Employee Performance Management Policy** was developed during 2013/14 and published in the new online Employee Handbook which went live on 01/04/14. The policy establishes a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance.
- Monthly **One to One meetings** are held involving the Leader, Cabinet Members, Chief Executive, Corporate Directors, Chief Officers, Heads of Service and 3rd tier staff as part of the performance management process
- Each Corporate Director holds a monthly **Performance and Financial Monitoring** meeting where Chief Officers and Heads of Service report on progress in terms of continuous improvement and budgets
- The Council Constitution includes **Financial Procedure Rules** which govern the financial management of the Council
- Financial Procedure Rules are supplemented by detailed **Accounting Instructions** which aid sound financial administration by setting out the principal controls and procedures for a range of functions to be followed by all departments. From time to time the Accounting Instructions are reviewed and ad hoc instructions may also be issued such as the current spending restrictions.
- The Council Constitution includes **Contract Procedure Rules** which govern the purchasing of goods and services and the letting of contracts with the aim of obtaining the best use of resources and value for money. Contract Procedure Rules were

reviewed during 2013/14 and a new set of rules were approved by Council on 15/04/14

3.9 Engaging with local people and other stakeholders to ensure robust public accountability

- A **Consultation and Engagement Strategy 2011-14** exists to ensure effective consultation and engagement with residents and partner organisations.
- The **Swansea Voices Panel** consists of a representative sample of 1,250 residents and provides a means for consulting on service provision and local issues. There is also a ward representative role for each councillor.
- The **Swansea Leader** is published every 2 months and delivered to every household in the area informing people about the Council's work and the progress it is making. An electronic version of the Swansea Leader is available on the Council's website.
- A range of **Information for Stakeholders** is available on the Council website including agendas, which are published in advance of meetings and minutes of all Council, Cabinet, Committee and Scrutiny Board meetings. Citizens can attend meetings of the Council, Cabinet, Committees and Scrutiny Boards except where confidential or exempt information is likely to be disclosed and the meeting is therefore held in private. The Council website is being re-launched during 2014/15 with the new website being more user and task orientated, easier to navigate, more concise and contributing to the Council's 'Digital by Default' approach.
- Citizens also have the right to ask questions and time is set aside at each Council and Cabinet meeting for **Public Questions**
- **Financial Monitoring Reports** which monitor the revenue and capital budgets are produced on a quarterly basis and reported to Cabinet
- **Performance Monitoring Reports** are produced for Cabinet on a quarterly basis and performance results are certified at the end of the year and any inconsistencies are investigated.

3.10 The Council's Annual Statement of Accounts includes **Group Accounts** which incorporates the companies shown below. The Annual General Meeting of the Council appoints councillors to sit on the Boards of the companies. The number of councillors appointed is shown against each company

- Swansea City Waste Disposal Co. Ltd (1 councillor)
- Wales National Pool Swansea Ltd (3 councillors)
- National Waterfront Museum Swansea Ltd (3 councillors)
- Swansea Stadium Management Co. Ltd (2 councillors)

ANNUAL GOVERNANCE STATEMENT 2013/14

- Bay Leisure Ltd (2 councillors)

- 3.11 The services provided by the Swansea City Waste Disposal Company transferred back to the Council with effect from 01/08/13.
- 3.12 A number of methods are in place to monitor the activities and performance of the companies including councillor/officer steering groups, strategic and operational meetings and management groups.
- 3.13 A partnership unit has been set up by the Head of Culture, Sport/Leisure and Tourism to monitor the activities of externally funded partner providers and an Annual Report on Leisure Partnerships is presented to Council each year

4. Review of Effectiveness

- 4.1 The City and County of Swansea has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Chief Auditor's annual report, and also by comments made by the external auditor and other review agencies and inspectorates
- 4.2 The processes for maintaining and reviewing the effectiveness of the governance framework within the Council include the following broad headings

4.3 Internal Control Self Assessment

- Each Head of Service has provided a signed **Senior Management Assurance Statement** for 2013/14 which provides assurance over the internal control, risk management and governance framework for their area of responsibility.

4.4 Internal Sources of Assurance

The following provide assurance based, partly, on reports covering 2012/13 as the reports for 2013/14 are not yet available. The 2013/14 reports will be reflected in the next Annual Governance Statement

- The **Annual Performance Review 2012/13 'Improving What Matters'** was reported to Council on 22/10/13. The report also included the Council's response to the proposals for improvement made by the Wales Audit Office in its Annual Improvement Report 2013.
- The **Standards Committee** met on 8 occasions during 2013/14 and the **Standards Committee Annual Report 2012/13** was presented to Council on 24/09/13.

ANNUAL GOVERNANCE STATEMENT 2013/14

- The **Scrutiny Programme Committee and Panels** met throughout 2013/14 and were supported by the Scrutiny Support Unit. The **Scrutiny Annual Report 2012/13** was presented to the Scrutiny Programme Committee on 08/07/13.
- The annual **Scrutiny Work Planning Conference 2013/14** was held on 20/05/13 and a report on the **Scrutiny Work Programme 2013/14** was agreed by the Scrutiny Programme Committee on 10/06/13
- The **Corporate Complaints Policy** was in place throughout 2013/14 and the **Complaints Annual Report 2012/13** was presented to Cabinet on 15/10/13.
- The **Internal Audit Annual Report 2012/13** was reported to the Audit Committee on 15/08/13 and included the Chief Auditor's opinion that based on the audit reviews undertaken in 2012/13, Internal Audit can give reasonable assurance that the systems of internal control were operating adequately and effectively and that no significant weaknesses were identified.
- A number of vacancies were experienced by the **Internal Audit Section** during 2013/14 leading to a loss of productive time but there was still sufficient audit coverage to be able to provide the required Internal Audit assurance for the year.

The following provides assurance based on reports covering 2013/14

- The forward looking **Corporate Improvement Plan 2013-17** '*Standing up for a Better Swansea*' produced in accordance with the Local Government (Wales) Measure 2009 was adopted by Council on 30/07/13. The Plan includes the 8 Improvement Objectives that the Council will address in the coming years.
- The One Swansea Plan 2013 was adopted by Council on 24/09/13 as the **Single Integrated Plan** which replaced the Community Strategy. The Plan includes 6 population outcomes i.e. broad conditions for communities and 21 challenges i.e. what has to change to make progress towards achieving the outcomes.
- The **Audit Committee** met on 11 occasions during 2013/14 and followed a structured workplan which covered all areas of the Committee's responsibilities. The Committee includes a lay member as required by the Local Government (Wales) Measure 2011. The lay member is also the Chair of the Committee. The Committee received the Internal Audit Annual Report 2012/13 as well as quarterly Internal Audit Monitoring Reports for 2013/14 showing progress against the Annual Internal Audit Plan.
- The **Constitution Working Group** only met once during 2013/14 to agree the suitability of the prospective Lord Mayor and Deputy Lord Mayor.
- The **Medium Term Financial Plan 2015/16 – 2017/18** was approved by Council on 18/02/14. The Plan outlined the

significant shortfall in funding faced by the Council over the period and the strategy to be adopted to address the shortfall.

- The **Corporate Risk Management Framework** is being reviewed by the Executive Board to strengthen links between corporate, directorate and service risk reporting and to seek assurance about day to day risk management. Corporate Risks have recently been updated as part of this and will form part of future quarterly balanced scorecard reporting.
- Each Corporate Director held monthly **Performance and Financial Monitoring** meetings where Chief Officers and Heads of Service reported on progress in terms of continuous improvement and budgets.
- Quarterly **Performance Monitoring Reports** were presented to Cabinet during 2013/14.
- Quarterly **Financial Monitoring Reports** were presented to Cabinet throughout 2013/14.
- All reports presented to Cabinet and Council during 2013/14 had been reviewed by Finance and Legal staff and included the appropriate paragraphs detailing the **Financial, Legal and Equality and Engagement Implications** of the report.
- The **Pension Fund Committee** met on 4 occasions during 2013/14 and dealt with all issues relating to the governance of the Pension Fund

4.5 External Sources of Assurance

- The Wales Audit Office produces an **Annual Improvement Report** under the Local Government (Wales) Measure 2009. The report is produced in association with other inspectors such as ESTYN and CSSIW and shows how well the Council is improving the services it provides. The **Annual Improvement Report 2013/14** was published on 05/06/14 and reported to Cabinet on 29/07/14. The report's main conclusions were that the Council made good progress in delivering its improvement priorities apart from recycling, got better at reporting how well it is performing, is developing a consistent approach to evaluating itself, has strengthened its capacity to drive improvement by completing its management restructure and established a strategy for managing the significant financial challenges it faces.
- The Wales Audit Office provided two **Improvement Assessment Letters 2013/14** as required by the Local Government (Wales) Measure 2009. The letters identify compliance with the Measure in terms of improvement planning and the requirement to make arrangements for continuous improvement. The letters also include some proposals for improvement.
- The Appointed Auditor's **Annual Audit Letter** was sent to the Leader on 28/11/13 and presented to the Audit Committee on 12/12/13. The letter stated that *'The Council complied with its*

ANNUAL GOVERNANCE STATEMENT 2013/14

responsibilities relating to financial reporting and use of resources’. The letter also stated that an unqualified audit opinion had been issued on the accounting statements confirming that they present a true and fair view of the Council’s, Group’s and Pension Fund’s financial position and transactions.

- The **Wales Audit Office’s Controls Report 2012/13** was presented to the Audit Committee on 12/12/13. The report made recommendations regarding 10 weaknesses identified in the Council’s internal controls, all of which were considered to be medium or low risk. The report also identified the progress made in implementing the recommendations made in the previous year’s Controls Report.
- PwC on behalf of the Wales Audit Office presented the **Audit of Accounting Statements – Report to Those Charged with Governance** for 2012/13 to Cabinet on 17/09/13. The report highlighted any significant issues to those charged with governance that needed to be considered prior to the approval of the financial statements. The report also indicated that the auditor intended to issue an unqualified audit report on the financial statements for 2012/13.
- The Council is subject to **Statutory External Inspections** by various bodies including Wales Audit Office, ESTYN and CSSIW. In June 2013, ESTYN published its report on the Quality of Local Authority Education Services for Children and Young People in Swansea, The report, which was presented to Council by Estyn on 22/10/13 judged Swansea’s current performance as adequate (good features outweigh areas shortcomings) and the prospects for improvement as good (good features and no important shortcomings). The Chief Executive established a Corporate Education Improvement Board and Education Leadership Board to address the issues and recommendations arising from the report. The CSSIW Annual Review and Evaluation Report 2012/13 for Swansea concluded that *‘adult services have improved and there is sustained progress’* and *‘child and family services are making steady progress in the face of increased demand.’* However the report also identified potential risks to be considered.

4.6 The Annual General Meeting of the Council held on 09/05/13 appointed the required number of councillors to sit on the Boards of the companies included in the Council’s **Group Accounts**. Changes were made to the representatives on Bay Leisure and Swansea Stadium Management Company at Council on 19/11/13.

4.7 The Annual Report on Leisure Partnerships for 2012/13 was presented to Council on 15/04/14. The report reviewed the Wales National Pool Swansea, National Waterfront Museum Swansea, Liberty Stadium and the LC in detail and provided information on the monitoring arrangements in place.

ANNUAL GOVERNANCE STATEMENT 2013/14

- 4.8 The legislation which required waste disposal operations to be carried out 'at arms length' has been repealed. The Council undertook a full review of the operations of Swansea City Waste Disposal Company in light of its current waste strategy and decided to bring the whole operation back in house. The Company's assets and liabilities as well as its employees transferred into the Council from 01/08/13 and the liquidation of the Company will follow in due course.
- 4.9 The review of the effectiveness of the Council's governance arrangements indicate that they continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

5 Significant Governance Issues

- 5.1 The following table shows the significant governance issues which were identified during the review of effectiveness undertaken when preparing the Annual Governance Statement 2012/13 and the action taken during the year to address the issues

Issue	Proposed Action	Action Taken
Develop rationalised set of priorities	Prepare Corporate Improvement Plan that links to Single Integrated Plan and sets out outcome based improvement objectives and performance measures	Corporate Improvement Plan 2013/17 – <i>Standing Up for a Better Swansea</i> – was published in August 2013. The Plan was developed using an outcome based approach (Results Based Accountability), which identified improvement priorities showing the Council's contribution to the Single Integrated Plan. The WAO confirmed that the Council had discharged its statutory improvement planning duties. Further work will take place during 2014/15 on developing a rationalised set of priorities as part of a Corporate Plan
Reporting to Citizens	Undertake annual review of performance that measures Council's success delivering its Improvement Plan and objectives on the basis of 'impact' for citizens.	The Annual Performance Review 2012/13 published in October 2013 sought to outline the Council's view of its success delivering its Improvement Objectives. The WAO acknowledged in its <i>Annual Improvement</i>

ANNUAL GOVERNANCE STATEMENT 2013/14

		<i>Report</i> that the Council had got better at reporting how well it is performing and is developing a consistent approach to evaluating itself. Further work will take place in 2014/15 on embedding the Council's emerging approach to self-evaluation
Scrutiny Arrangements	Complete the review of the new Scrutiny arrangements in line with the Wales Audit Office National Scrutiny Improvement Study	Following positive engagement in the Improvement Study, the Scrutiny Programme Committee has identified and acted upon a number of improvement themes.
Compliance by Schools	Continue to provide challenge and direction to schools to embed the improvements already made to ensure compliance with financial regulations, accounting instructions, procurement processes etc.	Schools continue to receive appropriate guidance, direction and challenge, building further on the improvements already made. This will continue and the overall impact monitored.
Arms Length Operations	Undertake a review of the governance arrangements	A review has been completed and a 'lessons learnt' report presented to Executive Board. An audit of the governance arrangements for partnerships is underway and will report during 2014/15
Senior Management Assurance Statements	Review evidence available to confirm statements made by Heads of Service for a sample of Senior Management Assurance Statements	A review will be undertaken of the Senior Management Assurance Statements provided in May 2014.

5.2 The following table identifies issues which have been raised during the review of effectiveness and the proposed action to be taken during 2014/15 to address the issues.

ANNUAL GOVERNANCE STATEMENT 2013/14

Issue	Proposed Action
Develop a rationalised set of priorities for the Council.	Develop a Corporate Plan with a reduced set of corporate priorities and performance indicators focussing on what matters to Swansea
Improve the processes for reporting to Citizens	Publish an annual review of performance where the Council sets out its view of its performance delivering its improvement priorities in a more accessible way e.g. case studies highlighting actual improvements
Review of Arms Length Operations	Complete audit review of the governance arrangements of partnerships.
Review of Regional Collaborative Arrangements	Review the effectiveness of the governance arrangements for the Council's Regional Collaborative Arrangements
Review of Senior Management Assurance Statements	Review evidence available to confirm statements made by Heads of Service for a sample of Senior Management Assurance Statements as part of the Internal Audit review of Corporate Governance.
Review of the Council's Code of Corporate Governance	The Code of Corporate Governance was approved by Council in June 2008 and it is proposed to review and update the Code.

5.3 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review

Signed Chief Executive
 Date

Signed..... Leader
 Date

GLOSSARY OF TERMS

We appreciate that the Statement of Accounts as presented contains a number of technical terms which may be unfamiliar to the lay reader. Wherever possible we have sought to minimise the use of technical terms but in some instances this has not been possible. The following section attempts to explain the meaning of some of those technical terms that are used in the Statements.

Accrual

Sums due to the Authority or payable to external organisations in the financial year irrespective of whether the cash has been received or paid.

Actuary

An actuary is a person who works out insurance and pension premiums, taking into account factors such as life expectancy.

Agency Services

Agency services are services provided for us by an outside organisation.

Amortised Cost

Amortised costs are used to spread the financial impact of depreciation or using an equivalent interest rate or the effect of a premium or discount over a number of years on the income and expenditure account.

Associate

An associate is an entity other than a subsidiary or joint venture in which the reporting authority has a participating interest and over whose operating and financial policies the reporting authority is able to exercise significant influence.

Audit

An audit is an independent examination of our activities.

Balance Sheet

This is a statement of our assets and liabilities at the date of the balance sheet.

Budget

A budget is a spending plan, usually for the following financial year.

Capital Adjustment Account

This Account represents timing differences between the amount of the historical cost of fixed assets that has been consumed by depreciation, impairment and disposals, and the amount that has been set aside to finance capital expenditure.

Capital Expenditure

Capital expenditure is spending on fixed assets. These are assets which will be used for several years to provide services such as buildings, equipment and vehicles.

Capital Receipts

Capital receipts are proceeds from the sale of fixed assets such as land or buildings.

GLOSSARY OF TERMS

Cash Equivalents

Cash Equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flow Statement

This is a statement that summarises the movement in cash during the year.

Consolidated Balance Sheet

This balance sheet combines the assets, liabilities and other balances of all our departments, at our year end date.

Corporate and Democratic Costs

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. The costs of these activities are thus over and above those which would be incurred by a series of independent, single-purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

Credit Risk

This is the risk of loss due to a debtors inability to make interest or principal repayments on a loan /investment.

Creditor

A creditor is someone we owed money to at the date of the balance sheet for work done, goods received or services rendered.

Current Assets

These are short-term assets which are available for us to use in the following accounting year.

Current Liabilities

These are short-term liabilities which are due for payment by us in the following accounting year.

Debtor

A debtor is someone who owed money to us at the date of the balance sheet.

Depreciation

Depreciation is the theoretical loss in value of assets, which we record, in our annual accounts.

Direct Labour Organisation or Direct Service Organisation (DLO or DSO)

This is our own organisation. It consists of workers we directly employ (including supervisory staff), accommodation, equipment and so on, used to carry out specified tasks for us.

Earmarked Reserves

These are reserves we have set aside for a specific purpose.

GLOSSARY OF TERMS

Financial Year

This is the accounting period. For local authorities it starts on 1st April and finishes on 31st March in the following year.

Finance Leases

When we use finance leases, we take on most of the risks (and rewards) of owning the assets.

Fixed Asset

These are long-term assets we use (usually for more than one year).

Gilt Edged Stocks

These are investments in government or local authority stocks. They are regarded as risk-free.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in form of cash or transfers of assets to an Authority in return for past or future compliance with certain conditions relating to the activities of the Authority.

Housing Revenue Account

This account contains all our housing income and spending.

Investments

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Joint Venture

A joint venture is an entity in which the reporting authority has an interest on a long-term basis and is jointly controlled by the reporting authority and one or more other entities under a contractual or other binding arrangement.

Leasing

This is a method of financing capital expenditure by paying the owner to use property or equipment for a number of years.

Liability

A liability is an amount payable at some time in the future.

Liquidity Risk

This is the risk that investments cannot be readily turned into cash or realised because there is no ready market for the instrument or there are restrictive clauses in the agreement.

Minimum Revenue Provision (MRP)

This is the amount we have to set aside to repay loans.

GLOSSARY OF TERMS

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge occupiers of business premises pay to finance part of local authority spending. The NNDR is set by Government and is a percentage of the rateable values. The percentage is the same throughout Wales. The total collected is split between individual authorities in proportion to their adult populations.

Net Realisable Value

The selling price of the asset, reduced by the relevant cost of selling it.

Non Distributable Costs

These are costs that relate to past activity costs, such as the cost of redundant assets or information technology, or past service pension that cannot be allocated to services.

Operating leases

These are leases where risks (and rewards) of ownership of the asset remain with the owner.

Precepts

This is the amount we pay to a non-billing authority (for example a community council) so that it can cover its expenses (after allowing for its income).

Provision

A provision is an amount we set aside in our accounts for expected liabilities which we cannot measure accurately.

Public Works Loan Board (PWLB)

This is a Government agency which provides longer-term loans to local authorities. It charges interest rates only slightly higher than those at which Government itself can borrow.

Related party transactions

These are the transfer of assets or liabilities or the performance of services by, to or for a related party no matter whether a charge is made.

Reserves

These are sums set aside to meet future expenditure. They may be earmarked to fund specific expenditure or be held as general reserves to fund non specific future expenditure.

Revaluation Reserve

This reserve represents the difference between the revalued amount of fixed assets in the Balance Sheet and their depreciated historical cost.

Revenue account

This is an account which records our day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

GLOSSARY OF TERMS

Scheduled organisation

An organisation whose employees have an automatic right to be members of a pension fund.

Securities

These are investments such as stocks, share and bonds.

Stocks

Stocks are raw materials we purchased for day to day use. The value of those items we had not used at the date of the balance sheet is shown in current assets in the balance sheet.

Subsidiary

An entity is a subsidiary of the reporting authority if:

- the authority is able to exercise control over the operating and financial policies of the entity, and
- the authority is able to gain benefits from the entity or is exposed to the risk of potential losses arising from this control.

Temporary Borrowing or Investment

This is money we borrowed or invested for an initial period of less than one year.

Transfer value

This is the value of payments made between funds when contributors leave service with one employer and decide to take the value of their pension contributions to their new employer's fund.

Trust Funds

Trust funds hold an individual's or organisation's money on their behalf. Trustees administer the money for the owners.

Unit Trusts

These are investment companies which accept money from many different investors. The money is pooled and used to buy investments.

Venture Capital Units

These are investments we have made in businesses where there is a higher risk but where rewards are also likely to be higher, if the businesses are successful.

Work in Progress

Work in progress is the value of work done on an unfinished project at the date of the balance sheet and which has not yet been recharged to the appropriate revenue account.

Report of the Section 151 Officer

Council - 30 September 2014

TREASURY MANAGEMENT ANNUAL REPORT 2013-2014

Summary

Purpose: This report provides details of the Council's Treasury Management activities during 2013/14 and compares actual performance against the strategy laid down at the start of the year.

Report Author: J. Dong

Finance Officer: M. Hawes

Legal Officer: N Havard

Access to Services Officer S. Leyshon

FOR INFORMATION

1 Introduction

- 1.1 Under the CIPFA Code of Practice on Treasury Management in Public Services, there is a requirement: "...for the Council to receive reports on its treasury management policies, practices and activities".

This report summarises the activities for the year. The Prudential Code for Capital Finance in Local Authorities also requires the reporting of outturn Prudential Indicators for the year.

2 Executive Summary of Activities During The Year

- 2.1 The revised indicative net borrowing requirement for 2013/14 was £17.6m. Due to capacity constraints and low investment returns, it was determined to utilise internal funds on an interim basis. As such no new external borrowing was undertaken in 2013/14.
- 2.2 The average interest rate on Council borrowing was 5.51%.
- 2.3 Internally Managed investments achieved a return of 0.54%. This represents an outperformance of +0.29% from the 7 day uncompounded LIBID benchmark rate of 0.25%.
- 2.4 The external fund manager returned 0.14%. This represented an underperformance of 0.33% from the target 3 month LIBOR rate of 0.47%.

2.5 The Council has operated within the determined treasury limits outlined in the appendices.

3 Financial Implications

3.1 There are no financial implications arising directly from this report

4 Legal Implications

4.1 There are no legal implications arising directly from the report.

5 Equality Impact Assessment Implication

5.1 There are no equality impact assessment implications arising directly from the report

Background Papers:

- Treasury Management Strategy, Prudential Indicators, Investment Strategy & Minimum Revenue Provision Statement 2013/14 (Feb 2013)
- Treasury Management Strategy, Prudential Indicators, Investment Strategy & Minimum Revenue Provision Statement 2014/15 (Feb 2014)

Treasury Management Annual Report

2013/14

Contents

Section

- 1. Executive Summary**
- 2. Introduction and Background**
- 3. Debt Portfolio**
- 4. Treasury Strategy 2013/14**
- 5. Actual Borrowing 2013/14**
- 6. Compliance with Treasury Limits**
- 7. Capital Financing Charges 2013/14**
- 8. Investment Strategy for 2013/14**
- 9. Actual Investments 2013/14**
- 10. Early Debt Repayment**

Appendices

1. Executive Summary

- 1.1 The net borrowing requirement identified for 2013/14 was £17.6m. Due to capacity constraints and low investment returns, it was determined to utilise internal funds on an interim basis. As such no new external borrowing was undertaken in 2013/14.
- 1.2 The average interest rate on Council borrowing was 5.51%.
- 1.3 Internally Managed investments achieved a return of 0.54%. This represents an outperformance of +0.29% from the 7 day uncompounded LIBID benchmark rate of 0.25%.
- 1.4 The external fund manager returned 0.14%. This represented an underperformance of 0.33% from the target 3 month LIBOR rate of 0.47%.
- 1.5 The Council has operated within the determined treasury limits outlined in the appendices.

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 3.
- 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
 - § 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 February 2013 the Treasury Strategy Statement and Investment Strategy for 2013/14.
- 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. 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 2013/14 Prudential Indicators are detailed in Appendix 1.

3. Debt Portfolio

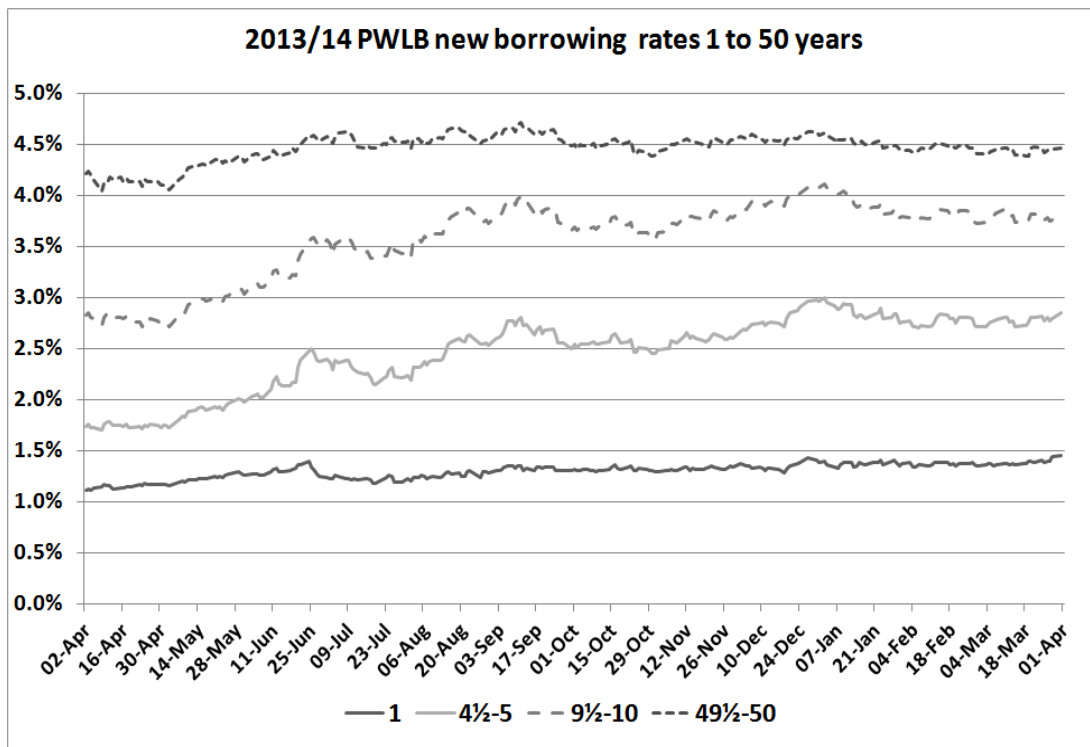
3.1 The Council's external borrowing position at the beginning and end of the year was as follows:

	1 April 2013		31 March 2014	
	Principal £'000	Interest Rate %	Principal £'000	Interest Rate %
Long Term Debt				
PWLB - fixed rate	226,588	6.15	220,305	6.16
Money Market (LOBO)	98,000	4.10	98,000	4.10
Local Bonds	5	-		
Short Term Debt				
Money Market	50	1.19	20	0.52
External Bodies	1,142	1.15	707	1.03
Total Debt	325,785	5.51	319,032	5.51

3.2 The average external debt portfolio interest rate was 5.51%.

4. Treasury Strategy 2013/14

- 4.1 The financial year 2013/14 continued the challenging investment environment of previous years, namely low investment returns, although levels of counterparty risk had subsided somewhat. The original expectation for 2013/14 was that Bank Rate would not rise during the year and for it only to start gently rising from quarter 1 2015. This forecast rise has now been pushed back to a start in quarter 3 2015. Economic growth (GDP) in the UK was virtually flat during 2012/13 but surged strongly during the year. Consequently there was no additional quantitative easing during 2013/14 and Bank Rate ended the year unchanged at 0.5% for the fifth successive year. While CPI inflation had remained stubbornly high and substantially above the 2% target during 2012, by January 2014 it had, at last, fallen below the target rate to 1.9% and then fell further to 1.7% in February. It is also expected to remain slightly below the target rate for most of the two years ahead.
- 4.2 Gilt yields were on a sharply rising trend during 2013 but volatility returned in the first quarter of 2014 as various fears sparked a flight to quality (see paragraph 4.) The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling drastically in the second half of that year and continuing into 2013/14. That part of the Scheme which supported the provision of credit for mortgages was terminated in the first quarter of 2014 as concerns rose over resurging house prices.
- 4.3 The UK coalition Government maintained its tight fiscal policy stance but recent strong economic growth has led to a cumulative, (in the Autumn Statement and the March Budget), reduction in the forecasts for total borrowing, of £97bn over the next five years, culminating in a £5bn surplus in 2018-19.
- 4.4 The EU sovereign debt crisis subsided during the year and confidence in the ability of the Eurozone to remain intact increased substantially. Perceptions of counterparty risk improved after the ECB statement in July 2012 that it would do “whatever it takes” to support struggling Eurozone countries; this led to a return of confidence in its banking system which has continued into 2013/14 and led to a move away from only very short term investing. However, this is not to say that the problems of the Eurozone, or its banks, have ended as the zone faces the likelihood of weak growth over the next few years at a time when the total size of government debt for some nations is likely to continue rising. Upcoming stress tests of Eurozone banks could also reveal some areas of concern.
- 4.5 **PWLB borrowing rates** - the graph below shows how PWLB certainty rates have risen from historically very low levels during the year.



- 4.6 The expectation for interest rates within the strategy for 2013/14 anticipated low but rising Bank Rate (starting in quarter 1 of 2015), and gradual rises in medium and longer term fixed borrowing rates during 2013/14. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 4.7 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.
- 4.8 The actual movement in gilt yields meant that PWLB rates were on a sharply rising trend during 2013 as markets anticipated the start of tapering of asset purchases by the Fed. This duly started in December 2013 and the US FOMC (the Fed.), adopted a future course of monthly reductions of \$10bn (from a starting position of \$85bn), meaning that asset purchases were likely to stop by the end of 2014. However, volatility set in during the first quarter of 2014 as fears around emerging markets, various vulnerabilities in the Chinese economy, the increasing danger for the Eurozone to drop into a deflationary spiral, and the situation in the Ukraine, caused rates to dip down, reflecting a flight to quality into UK gilts.

5. Actual Borrowing 2013/14

- 5.1 The Treasury Management strategy 2013/14 agreed by the Council in February 2013 identified a net borrowing requirement of £6.6m for 2013/14, which was revised in February 2014 to £17.617m.

- 5.2 No new PWLB or market borrowing was undertaken during the year as set out in the 2013/14 strategy above in 4.7.

6. Compliance with Treasury Limits

- 6.1 During the year, the Council operated within the limits set out in the Council's Treasury Management Strategy 2013/14 under the Prudential Code. The outturn for the prudential indicators are shown in Appendix 1.

7. Capital Financing Charges 2013/14

- 7.1 The capital financing charges made to the Council's accounts for 2013/14 including capital repayments net of discounts/premiums and interest receivable are detailed below.

	Actual 2012/13		Actual 2013/14	
	£'000	Interest Rate %	£'000	Interest Rate %
Housing Revenue A/c	4,991	4.98	4,694	4.80
General Fund	25,947	4.84	27,009	4.68

- 7.2 The interest rates charged differ from the average rate of interest for external debt due to the fact that part of the Council's borrowing for capital purposes is funded by the investment of internal reserves and the use of internal balances and application of discounts/premia.

8. Investment Strategy for 2013/14

- 8.1 Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for five years. Market expectations as to the timing of the start of monetary tightening ended up unchanged at early 2015. The Funding for Lending Scheme resulted in deposit rates remaining depressed during the whole of the year, although the part of the scheme supporting provision of credit for mortgages came to an end in the first quarter of 2014.
- 8.2 Overlaying the relatively poor investment returns were the continued counterparty concerns, most evident in the Euro zone.
- 8.3 As a result of the above, a cautious borrowing and investment strategy was implemented in 2013/14. The paramount consideration in making investments was the security of the investment. Given the low interest rates achievable on Council investments, a decision was made to internally finance any new capital borrowing requirement. This resulted in a lower net interest charge to the Council and reduced risk in relation to security of investment.
- 8.4 The Council's investment policy is governed by WAG guidance, which was implemented in the annual investment strategy approved by the Council on February 2013 and revised by Council on February 2014. This policy sets

out the approach for choosing investment counterparties, and is based on our Treasury Advisors' investment matrix based on credit ratings provided by the three main credit rating agencies supplemented by additional market data such as rating outlooks, credit default swaps, bank share prices etc. New investments were restricted to UK only institutions which satisfied these criteria.

- 8.5 The Council invests part of the Council's cash reserves internally and part through external fund managers, Invesco. This policy is implemented to mitigate the risk inherent in broad investment strategy by utilising both direct investment and the services of fund managers. This policy of investing part of the Council's cash reserves through external fund managers, and part directly, was maintained.

9. Actual Investments 2013/14

- 9.1 The Council held internally and externally managed funds during 2013/14
- 9.2 The external investments of the Council are managed by Invesco cash fund managers. The overriding rationale for the retention of an external cash fund manager remains the mitigation of risk and diversification of counterparties.
- 9.3 The return achieved by the fund manager during 2013/14 was as follows:

	Balance 1 April 13	Balance 31 March 14	Rate of Return	7 Day LIBID	3 month LIBOR
	£'000	£'000		%	%
Invesco	22,482	22,513	0.14	0.25	0.47

- 9.4 The external fund manager, Invesco has returned 0.14% an underperformance of 0.33% below the benchmarked 3 month LIBOR rate of 0.47% for the year in very challenging market conditions where low yields prevailed in conjunction with the highly conservative investment parameters of the portfolio
- 9.5 The Council also held internally managed funds which were invested on the Money Market via brokers or directly with banks and building societies other local authorities and the Debt Management Office (DMO). The balances held during the year were as follows:

Balance 1 April 2013	Balance 31 March 2014	Average Value 2013/14	Interest	Rate of Return	Benchmark 7 day LIBID
£'000	£'000	£'000	£'000	%	%
77,222	64,999	104,093	562	0.54	0.25

- 9.6 The interest achieved on internally managed investments was £0.562m or 0.54%. This return outperformed the benchmark seven-day rate by +0.29%.
- 9.7 As a further measure to mitigate and control risk, 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 UK counterparties to invest with. This policy was maintained in light of sovereign debt crises throughout Europe. A graphical illustration of the contraction of the

counterparty list and the current counterparty list is attached at Appendix 4. The list of investments as at 31st March 2014 is attached at Appendix 5.

10. Debt Repayment/Rescheduling

- 10.1 Market conditions are constantly monitored for opportunities to repay or reschedule debt in line with good Treasury Management. No such opportunities arose in 2013/14.

Prudential Indicators

Capital Prudential Indicators	2012/13	2013/14	2013/14
	Actual	Revised Estimate	Actual
	£'000	£'000	£'000
Capital Expenditure			
GF	51,785	57,106	59,047
HRA	25,303	24,524	24,981
TOTAL	77,088	81,630	84,028
Ratio of financing costs to net revenue stream	%	%	%
GF	6.62	6.42	7.29
HRA	9.98	8.99	9.04
Incremental Impact on Council Tax (Band D) or Council House Rent	£	£	£
GF	70.50	82.20	84.17
HRA	0.00	0.00	0.00
Capital Financing Requirement	£'000	£'000	£'000
GF	305,972	314,852	314,815
Credit Arrangements	2,337	3,264	2,600
HRA	68,995	67,934	66,378
TOTAL	377,304	386,050	383,793

Treasury Management Prudential Indicators			
	2012/13	2013/14	2013/14
	Actual	Revised Estimate	Actual
	£'000 or %	£'000 or %	£'000 or %
Authorised limit for external debt	325,785	527,220	319,032
Operational boundary for external debt	325,785	445,829	319,032
Upper limit for fixed interest rate exposure	69.9%/ 227,785	100%/ £527,220	69.28%/ £221,032
Upper limit for variable interest rate exposure	30.1%/ 98,000	40%/ £210,888	30.72%/ £98,000
Upper limit for total principal sums invested for over 364 days	0	75,000	0

Maturity Structure of Fixed Rate Borrowing in 2013/14			
	Upper Limit	Lower Limit	Actual
Under 12 months	50%	0%	3.69%
12 months and within 24 months	50%	0%	0.98%
24 months and within 5 years	50%	0%	2.86%
5 years and within 10 years	85%	0%	0%
10 years and above	95%	15%	92.47%

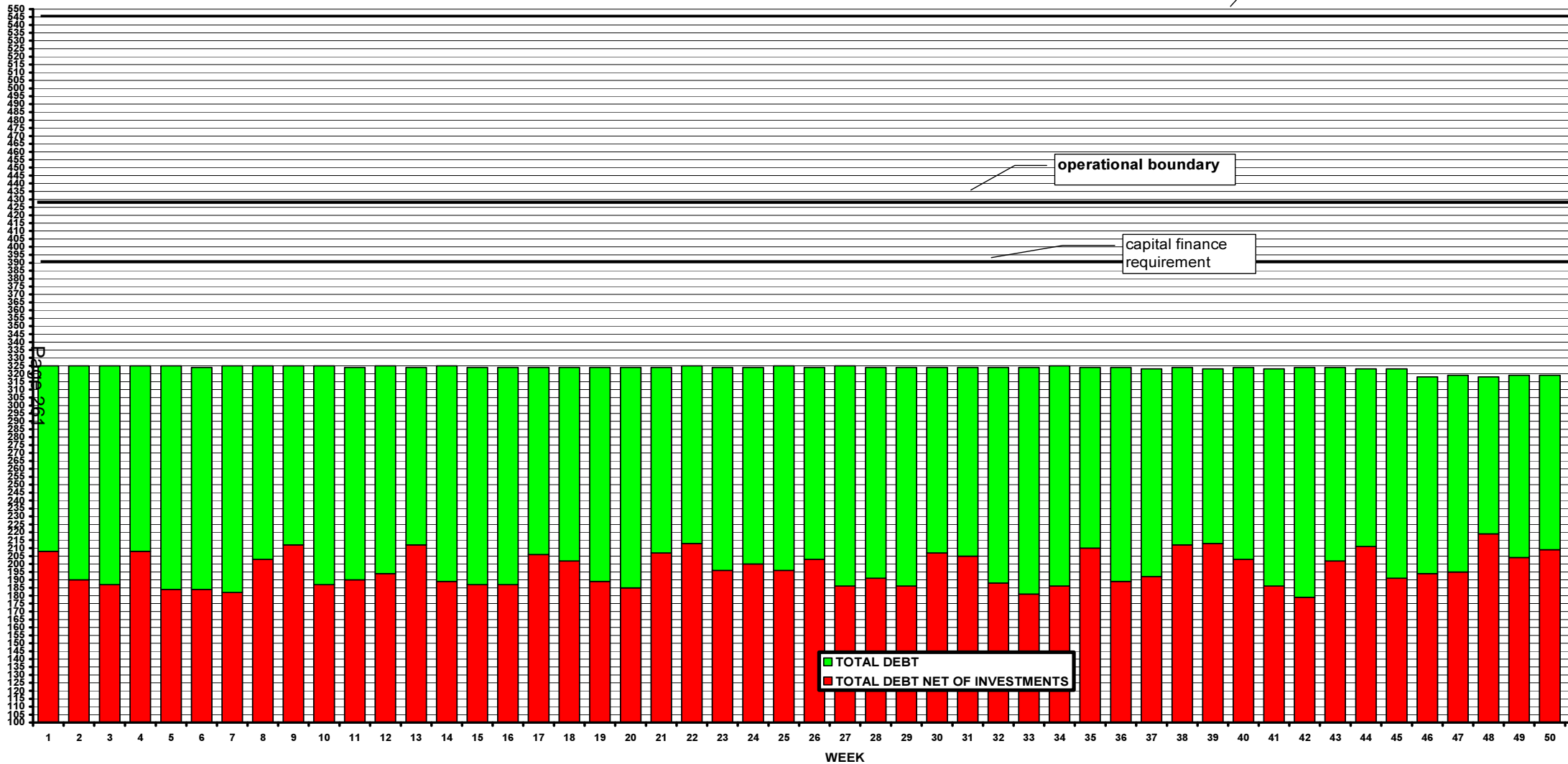
The Treasury Management Prudential Indicators identified above as:

- 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 2013/14

are shown as at balance sheet date 31st March 2014, however it can be reported that none of the above limits were breached during 2013/14. The level of outstanding debt throughout 2013/14 is shown in Appendix 2 and can be seen to be within the capital financing requirement, operational boundary and authorised limit for the whole of 2013/14.

TOTAL DEBT OUTSTANDING - 2013/2014

£M.



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 (see financing costs also)	These are the net costs of financing capital i.e. 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 rated, 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</p>

	investments that are held clearly and explicitly in the course of the provision of, and for the purposes of, operational services.
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.
London Inter-Bank Bid Rate (LIBID)	The interest rate at which major banks in London are willing to borrow (bid for) funds from each other.
Managed Funds	<p><u>In-House Fund Management</u> Surplus cash arising from unused capital receipts 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

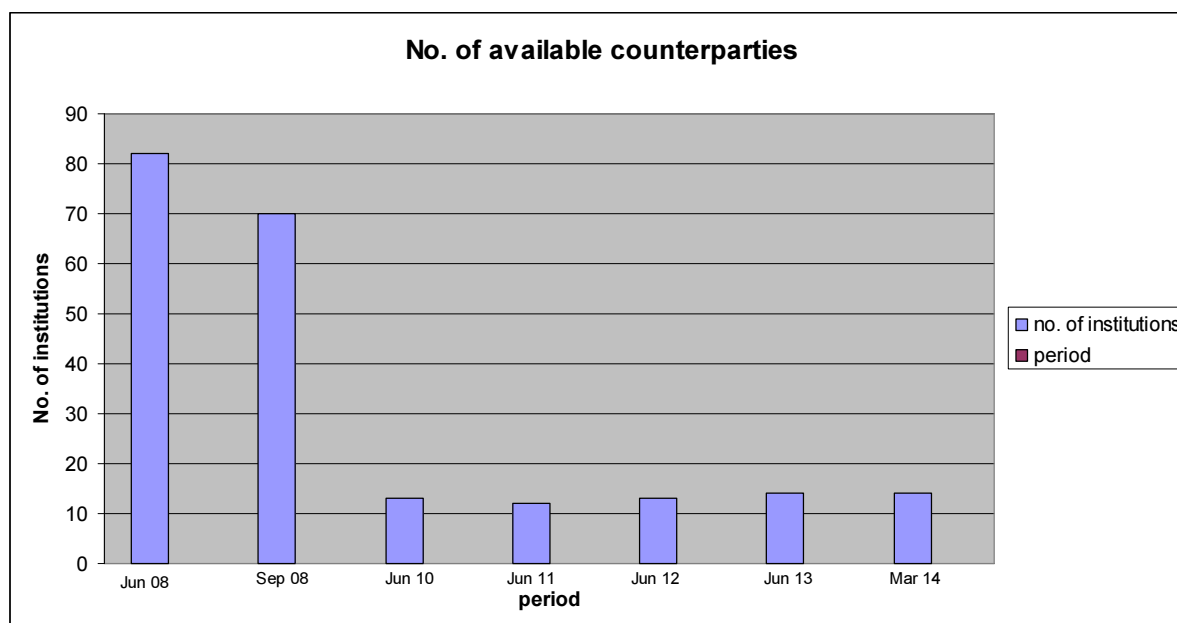
	in maintaining high and stable levels of growth and employment.
Money Market	<p>Consists of financial institutions and deals in money and credit.</p> <p>The term applied to the institutions willing to trade in financial instruments. It is not a physical creation, but an electronic/telephone one.</p>
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.
Range Trade Accrual	A Callable Range Accrual is so called because it is callable or cancellable by the bank after the initial period, as above. However, where it differs, is that interest accrues only as long as Libor (London Interbank Offer Rate, or another independently derived and published benchmark rate) stays within a pre-agreed range. The lender can choose the range, the non-call period, the Libor they wish to use, the call periods and the potential return they wish to receive.. The bank has the right to cancel this trade after the first 3 months, and every 3 months thereafter. With a range trade, the lender is backing his judgement on interest rate movements and in exchange for that can achieve a significantly enhanced return. This is done as part of portfolio management. The risk of rates going above Libor on a small part of the portfolio (and therefore none, or little payment on a range accrual) will be offset by the fact that the rest of the portfolio will be returning more than expected. The key risk to a callable range accrual is obviously that the contractual Libor rate goes outside the specified range. It is possible to mitigate this risk by analysing the historical behaviour of any specified Libor

	relative to base rate. By taking a view on expected base rate (which is done on all deposits), a lender can minimise exposure, and choose a range to match his risk appetite.
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.
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 A in line with statutory investment regulations. Non-specified investments are all other investments identified in Appendix A 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.

Schedule of Number of Counterparties



Schedule of Available Counterparties as at 31 March 2014

Institution	Country	Bank/BS	Fitch		
			Ratings	S Term	Support
Bank of New York Mellon	UK	Bank	F1+	1	AA-
Bank of Scotland	UK	Bank	F1	1	A
Barclays	UK	Bank	F1	1	A
Credit Suisse International	UK	Bank	F1	1	A
Goldman Sachs International Bank	UK	Bank	F1		A
HSBC	UK	Bank	F1+	1	AA-
Lloyds TSB	UK	Bank	F1	1	A
MBNA Europe	UK	Bank	F1	1	A-
National Westminster	UK	Bank	F1	1	A
Nationwide	UK	BS	F1	1	A
Royal Bank of Scotland	UK	Bank	F1	1	A
Santander	UK	Bank	F1	1	A
Standard Chartered Bank	UK	Bank	F1+	1	AA-
Sumitomo Mitsui Banking Corporation	UK	Bank	F1	1	A-
UBS	UK	Bank	F1	1	A
Debt Management Office	UK				
Local Authorities	UK				

List of Outstanding Investments as at 31 March 2014

	£
Bank of Scotland	4,996,632.60
Nat West Bank	15,002,259.43
Leeds Council	5,000,000.00
Lloyds TSB	10,000,000.00
Nationwide Building Society	7,000,000.00
Santander	15,000,000.00
Thurrock Borough Council	5,000,000.00
UBS	2,000,000.00
Total	63,998,892.03

Agenda Item 12.a

Report of the Cabinet Member for Wellbeing & Healthy Cities.

Council - 30 September 2014

SUSTAINABLE DEVELOPMENT REPORT 2013-2014

Purpose:	To present a draft of the Sustainable Development Report for discussion
Policy Framework:	Sustainable Development Policy
Reason for Decision:	To progress the publication of the Sustainable Development Report alongside the Annual Statement of Accounts.
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that: 1) A final version of the Sustainable Development Report is included as an unassured appendix in the annex of the Annual Statement of Accounts or published online alongside the accounts. 2) Sustainable governance principles and the emerging implications of the Well-being for Future Generations (Wales) Bill are integrated into the evolving Single Corporate Plan. Full integration would negate the need for Sustainable Development reporting in future years.
Report Author:	Tanya Nash
Finance Officer:	Ben Smith
Legal Officer:	Nigel Havard
Access to Services Officer:	Sherril Hopkins

1.0 Introduction

- 1.1 The City and County of Swansea is leading Wales in its commitment to sustainable development. Reporting on sustainable development is a key mechanism publicly demonstrating this priority and embedding the principle across services. Sustainable development reporting results in considerable reputational benefits, improved performance, greater transparency and provides accountability for the Sustainable Development Policy.
- 1.2 Swansea is Wales's Model Local Authority in implementing the Welsh Local Government Association's Sustainable Development Framework. Reporting has formed a key element of work developing a model of best practice in sustainable development delivery. Work undertaken to date has been disseminated across Wales and continues to make a valuable contribution to the development of the Well-being for Future Generations (Wales) Bill.
- 1.3 This is the fourth year of sustainable development reporting in Swansea. In 2011, Swansea was the first local authority to publish a report on carbon emissions and energy use within its Annual Statement of Accounts. In 2012, a sustainable development reporting methodology was developed with consultancy support from PwC to include indicators reflecting outcomes relating to social, economic and environmental wellbeing. In 2013/14, this model will be used to report on progress alongside the Annual Statement of Accounts.

2.0 The Rationale for Sustainable Development Reporting

- 2.1 Reporting on sustainable development creates closer connections between policy and performance. The report is a means of providing public accountability for sustainable development and provides a tangible measure of the Sustainable Development Policy's effectiveness.
- 2.2 The process of sustainable development reporting engages services and helps them to have a better understanding of their impact in delivering sustainable development. Involving services in the collection and analysis of data focusing on sustainable development highlights and improves performance eventually influencing the outcomes achieved.
- 2.3 The publication of a Sustainable Development Report creates considerable reputational benefits demonstrating good governance and transparency. The Council can mitigate risk and identify opportunities based on information highlighted through the reporting process. The connection between the report and the Statement of Accounts demonstrates publicly the link between financial management and sustainable performance, impacting decision making.

- 2.4 Reporting on sustainable development is well developed within the private sector through the corporate social responsibility agenda and is increasingly adopted by English local authorities. Reporting is already a mandatory requirement for Whitehall departments and the NHS in Wales.
- 2.5 Reporting explicitly meets the existing requirement in the Local Government Measure 2009 which places a duty on local authorities to promote and improve on sustainable development performance.

3.0 The Methodology

3.1 In 2012, the Council was supported by PwC to develop a bespoke methodology based on the concept of integrated reporting using the principles of Accounting for Sustainability. The approach has been adhered to in 2014 for consistency and comparability. This 'connected reporting' approach is based on three steps:

- Identification of material sustainability issues and connection to business strategy
- Identification of Key Performance Indicators
- Production of a Connected Performance Report

3.2 The established indicators have been improved and made more robust in 2014. The scope and quality of information measured by several existing indicators has been augmented.

3.3 In order to assure the data, an audit trail has been created recording the source of data. A sample has been internally scrutinised and the robustness of information confirmed. Internal indicators have been certified by a compiling officer and agreed by a Head of Service.

4.0 The Report Structure

4.1 An introductory front page sets the context of the report and details the methodology developed. This is followed by a summary sheet in tabular form defining each of the Seven Priority Areas and the number of indicators in that section. The number of indicators varies reflecting the nature of the Priority Area and availability of relevant data. The main body of the report brings together performance, financial information and targets.

4.2 The arrow based assessment assigned to each indicator indicates direction of travel in the past year rather than the achievement of specific targets. Although it should be noted where targets have been set they are included as a means of embedding sustainable development into day to day operations and driving progress. An arrow summarising each Priority Area's status is alongside each heading.

5.0 Drivers and Trends Impacting Future Reporting

5.1 “Sustainable Swansea - Fit For the Future”

- a. The scale of the financial, demographic and sustainability challenge facing Swansea requires a radically different approach to the past. The approach adopted: “Sustainable Swansea - Fit for the Future” is based on sustainable development as a central organising principle and acknowledges the longer term context in making decisions for the short and medium term.
- b. It is essential to effective implementation that the budget principles guiding “Sustainable Swansea – Fit For the Future”, remain focal through the explicit integration of governance principles within planning and reporting structures.
- c. “Sustainable Swansea – Fit for the Future” is fundamental to the development and delivery of the Council’s services in future years. The budget principles and key objectives are so central to the Council’s effective operation in future years that sustainable governance principles are a necessary and integral element of future corporate planning and reporting.

5.2 The Well-being of Future Generations (Wales) Bill

- a. Swansea has been influential in the development of the Well-being of Future Generations Bill launched in Swansea in July 2014.
- b. The Act aims to ensure the governance arrangements of public bodies in Wales take account of the needs of future generations while improving social, economic and environmental wellbeing in accordance with sustainable development principles. These principles are closely aligned to those expressed in “Sustainable Swansea - Fit for the Future” and can be summarised as long termism, citizen centred, collaboration, prevention and integration.
- c. The Act is likely to set out six well-being goals against which the Local Authority must set objectives that are designed to maximise its contribution to the Well-being goals. Each public body must produce an annual report on its achievement of its well-being objectives and their contribution towards achieving the well-being goals.
- d. The Local Service Board will become a statutory Public Service Board and will also be subject to setting, planning and reporting objectives in accordance with the well-being goals.
- e. Swansea’s Executive and Political Leadership have committed Swansea to act as an ‘Early Adopter’ of the Bill on its enactment in 2015. This offers the opportunity to shape the Guidance governing how the duty is met and reported in practice by participating in task and finish groups

relating to transparency and reporting. Swansea will therefore report on 2015/16 activity. Best practice suggests that full integration of sustainable development into the Single Corporate Plan is the most effective means of achieving this.

5.3 *Integrated Reporting*

- a. In the current environment, Swansea cannot afford to neglect any potential resources. Reporting tends to focus on the utilisation of financial and human capitals. However other capitals exist that create value which are not always fully recognised, accounted for and maximised to advantage. This includes often undervalued or under-utilised resources such the natural environment, the capacities and capabilities of citizens and partners and the innovative ideas and thinking of service users, employees and residents.
- b. Integrated Reporting enables the management of all resources to be monitored and improved upon by addressing the creation of value from six capitals; financial, human, natural, manufactured, intellectual and social and relationship capital. A flexible framework developed by the [International Integrated Reporting Council](#) complements the Balanced Scorecard approach and can be applied indirectly evolving to meet the specific needs of the Local Authority.
- c. This integrated reporting approach is supported by the Wales Audit Office and the Chartered Institute of Public Finance and Accountancy and represents world class best practice in reporting.

5.4 *The Single Corporate Plan*

- a. The focus of sustainability reporting on the concise communication of material issues taking into account risk and sustainability principles complements the move towards a Single Corporate Plan.
- b. The opportunity exists to fully integrate sustainable development and corporate reporting. This is a risk in organisations where sustainable development is not sufficiently embedded as a central driver that sustainable development principles become tokenistic, neglected or misinterpreted. However it is believed that sustainability is sufficiently central to the City and County of Swansea's future direction and the necessary expertise exists within the Sustainable Development Unit working alongside Performance to mitigate this risk.
- c. At present, the Single Corporate Plan is under development. The resultant methodology will be developed in line with the emerging requirements of the Well-being of Future Generations (Wales) Bill.
- d. There is scope for the reporting process to evolve within a sustainable framework as mechanisms emerge to measure resources and outcomes which are currently not able to be quantified effectively.

- e. It is acknowledged that sustainable practices are yet to be fully integrated at all levels and throughout the entire organisation. However the development of a Single Corporate Plan centred on sustainable principles and focused on sustainable objectives would be an effective means of integrating sustainable development as a central organising principle.

5.5 *Combined Impact on Corporate Reporting*

The embedding of sustainable development within mainstream planning and reporting would facilitate a focus on priorities and the effective use of all resources. There is an opportunity for the corporate reporting structure to benefit from these internal and external drivers of sustainable governance.

6.0 Equality and Engagement Implications

- 6.1 A Screening for EIA has identified relatively low impacts and minimum implications with regard to Equalities and Engagement. Appropriate measures in line with Council policies will be taken in terms of ensuring access to the document.

7.0 Financial Implications

- 7.1 Publication and translation costs are expected to be minimal and will be contained within the existing budget.

8.0 Legal Implications

- 8.1 There are no specific legal implications at this stage. The existing and proposed legislative frameworks are referred to in the Report itself.

Background Papers: None

Appendices: Appendix A – City and County of Swansea Sustainable Development Report 2013/14

City and County of Swansea Sustainable Development Report 2013/14

Sustainable Development

At the City and County of Swansea, sustainable development is the 'central organising principle' that underpins the planning and delivery of services that result in sustainable outcomes for our communities. This concept takes a long term perspective, is evidenced based, seeks to balance environmental, social and economic costs and benefits, while prioritising a collaborative, citizen centred, preventative approach. This is defined within the Council's Sustainable Development Policy as

'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs'

This principle guides the Council in working towards a 'safer, greener, smarter, fairer, healthier, richer Swansea'.

Reporting on Sustainable Development

This is the fourth year of sustainable development reporting in Swansea. Reporting provides a means of measuring performance against seven priority areas for action defined within the Sustainable Development Policy. Following the Report's adoption by Council, it is published alongside the Annual Statement of Accounts. This enables Council Members, Officers and the Public to benefit from a joined-up view of the year's outcomes in terms of impacts on financial, social, economic, governance and environmental well-being.

Sustainability reporting also fulfils a legislative duty to promote and improve sustainable development performance. This duty is set to increase on the enactment of the forthcoming Well-being of Future Generations (Wales) Bill in 2015. However the most compelling reason to adopt and report sustainable development is recognised in the private sector and at national government level where the practice is increasingly widespread. These sectors acknowledge sustainable governance principles drive change for the better, improving efficiency, effectiveness and positive outcomes for people.

Sustainable Swansea – Fit for the Future

The scale of the financial, demographic and sustainability challenges facing Swansea require not only that the Council 'do things differently' but that it 'does different things'. Sustainable Swansea - Fit for the Future's budget principles and commitment to innovation form a robust means of building the resilience of Swansea's communities.

In challenging financial times, Swansea recognises the need to draw on all its resources. This includes often undervalued or under-utilised resources such as our natural environment, the capabilities and capacity of our citizens and partners and the innovative ideas and thinking of service users, employees and residents. Sustainable development reporting helps identify and value these resources. Sustainable Governance principles are fundamental to the Sustainable Swansea –Fit for the Future programme and reflect those of the Sustainable Development Policy and Well-being of Future Generations (Wales) Bill.

The Long Term Context

A long term perspective is essential to make decisions today that continue to benefit generations of tomorrow. In order to work towards the 'Swansea we want' an understanding of future challenges based on current and future trends is necessary. Examples of foresighting undertaken in 2014 and key issues can be found in the WLGA [Generation 2050](#) Report;

Key trends which impact how Swansea reconfigures its services for the future include;

- The aging population and increasing demand for care – The number of people aged 65 and over is estimated to increase by 44.1% or 19,000 by 2036.
- An increased birth rate – It is estimated the number of children aged 0-15 will grow by 3.5% or 1,500 by 2036 impacting all services particularly education, health and child care.
- Health inequities – The life expectancy gap between East and West Swansea in 2009 was approximately twelve years for men and seven years for women.
- Competition for housing – The number of households in Swansea is projected to increase by 21.1% from an estimated 103,500 in 2011 to 125,300 in 2036.
- Finite resources – population increase, extreme weather and climate change is likely to impact the scarcity and security of food, energy and water.

Reporting in 2013/14

A methodology was developed in 2012 influenced by CIPFA 'Sustainability Reporting' guidance, The Prince's 'Accounting for Sustainability Connected Reporting' and where practical HM Treasury 'Public Sector Annual Reports: Sustainability Reporting Guidance'.

The reporting framework aims to connect strategy with material sustainability issues. Where possible the selected indicators are outcome rather than process focused. Indicators were selected and developed via relevance to the aims of the Council's Sustainable Development Policy and a Service Challenge Panel. All data presented within the report has been subject to a robust, internal and auditable certification and assurance process.

The following report consists of two elements. A summary of sustainable development performance in the seven Priority Areas identified within the Sustainable Development Policy. This is followed by detailed information on individual metrics, grouped under Sustainable Development Priority Areas, analysed and displayed to best reflect their individual qualities.

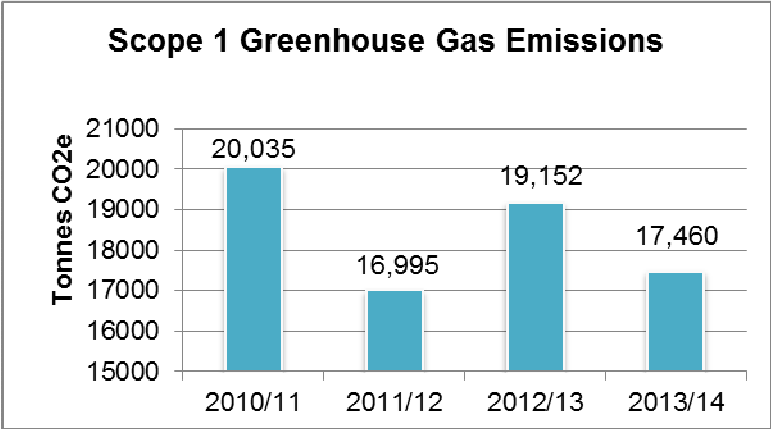
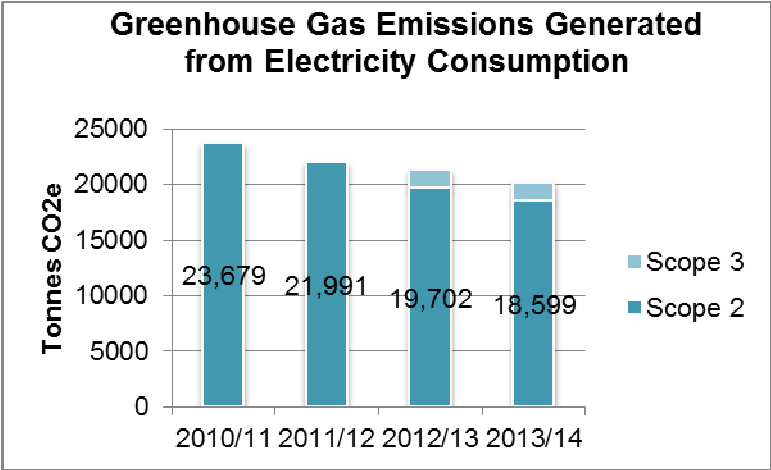


The Future


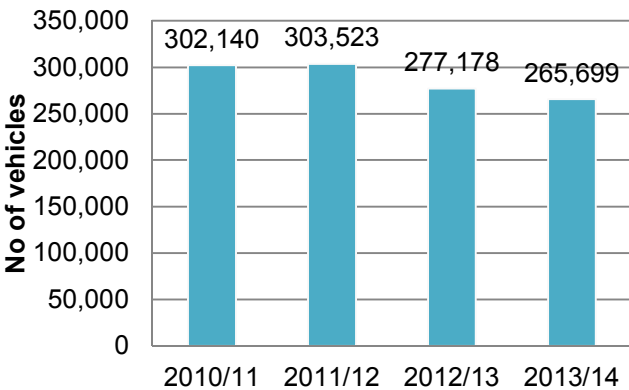

Swansea has consistently led Wales in reporting on sustainable development. The Local Authority was the first in Wales to report on carbon emissions and energy consumption before extending the scope of reporting to include economic, environmental and social indicators. The next phase of embedding sustainable development practice as the organisation's standard operating procedure focuses on the development of a Single Corporate Plan built around sustainable governance principles and evidenced at all levels of the organisation.

SUMMARY OF SUSTAINABLE DEVELOPMENT PERFORMANCE

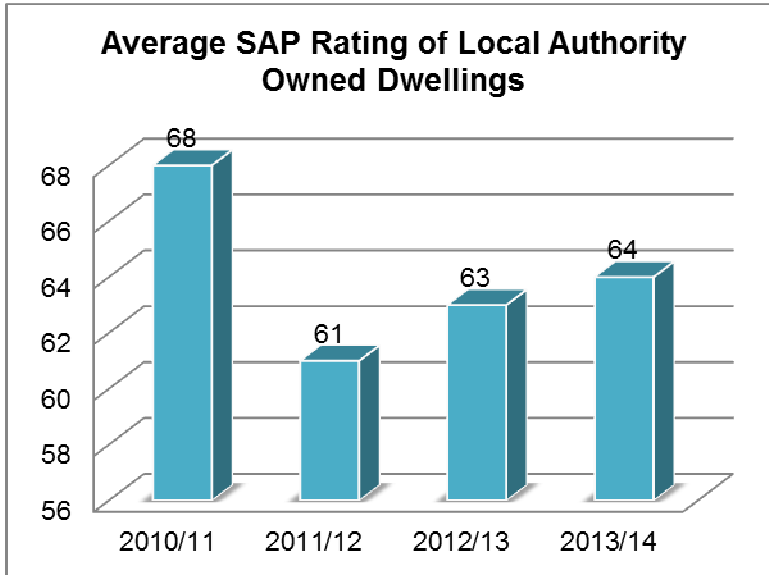
Priority Areas identified in Sustainable Development Policy 2012 and Direction of Progress ↻ Improving, or at best performance ↻ No change, no prior or insufficient information , ↻ Declining	Number and Status of Indicators in Priority Area		
Climate Change / Decarbonisation (6 in total) ↻	↻5	↻0	↻1
<p>The City and County of Swansea (CCS) is a participant in the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) and has developed a reporting system to ensure compliance. Energy and Carbon data are collated and reported in the Council's Carbon Footprint and Annual Report submitted to the Environment Agency annually in line with CRC legislation. The data is also used to drive behavioural change and efficiencies aimed at reducing carbon emissions and associated energy costs. Investment in 'low carbon' technologies such as LED street lighting, renewable energy and electric vehicles demonstrate Swansea's ambition is to be among the greenest cities in the UK.</p>			
Sustainable Use of Natural Resources (8 in total) ↻	↻4	↻0	↻4
<p>Considerable efforts have been made to minimise the use and disposal of finite resources and maximise the use of sustainable raw materials and energy in more efficient ways. A 'Municipal Waste strategy 2011-16' has been developed to meet Welsh Government targets set out in the Towards Zero Waste Strategy and the 'Municipal Sector Plan'. In 2013, City and County of Swansea took over the operation of Household Waste Recycling Centres (HWRC). The Baling Plant & HWRC in Llansamlet has achieved a range of quality standards and is recognised as a UK leader. This best practice is being rolled out to other sites. Swansea is a member of the South West Wales Waste Partnership working with four neighbouring local authorities to find the most sustainable, cost effective and practical solutions to treat waste.</p>			
Natural Environment (4 in total) ↻	↻2	↻1	↻1
<p>Swansea has a wide diversity of landscapes and habitats that make up over 80% of the County's total area. The Council aims to maximise the economic and social value created by our urban and rural environments and ensure that this asset is effectively managed for the future.</p> <p>Swansea is leading Wales in natural resource planning having mapped five existing and potential eco-system services such as carbon storage and food production, developing an approach that can be used across Wales. Swansea Biodiversity Partnership works to promote and protect natural habitats and resources. New approaches include the successful Wild Flower Initiative which planted colourful grass verges and support for community growing via schemes like Grow Local. An increasingly cross organisational approach is adopted with for example Transportation departments working closely with Pollution Control to address the Hafod Air Quality Management Area.</p>			

Social Inclusion (3 in total) ①	02	00	01
The Local Authority is committed to ensuring people from different backgrounds have similar life opportunities and that social exclusion based on income, access to services and participation poverty is addressed. The Poverty and Prevention Service ensures policies and strategies across the Council reduce social exclusion and mitigate the impact of welfare reform on the vulnerable. Services build the resilience of local communities equipping individuals with the knowledge and skills to create self-aware, independent, and resilient communities. Training and support for both staff and our partners builds capacity and highlights the direct and indirect impacts of poverty. There is also recognition of the need to support and work with the community both geographically and with communities of interest, by providing networks, local resources, and advice. The focus is on early intervention and preventative measures that reduce the long term need for more serious and costly action.			
Economic Resilience (5 in total) ②	03	02	00
Sustainable Swansea – Fit For the Future is also a mechanism which ensures sustainable financial policies and procedures contribute to the continued financial viability of the City and County of Swansea as an organisation. 2013 saw the biggest ever budget consultation with employees, the public and partners engaged in the first stage of a three year transformation programme. The medium term financial plan (3 years) is an increasingly robust and responsive document which influences short term decision making. Longer term forecasting is still generally based on a service level analysis of trends although corporate level foresighting is in development. Collaborative economic planning led towards the development of the Swansea Bay City Region in 2013.			
Governance (6 in total) ①	03	02	01
Structures are adopted which ensure good government, management and leadership, characterised by openness, participation, accountability, predictability, and transparency. A Cabinet portfolio for Citizen and Community Engagement and Consultation ensures that extensive consultation takes place with residents on both corporate and service specific issues. 2013 saw the most extensive public budget engagement ever undertaken with citizens invited to actively participate in the Sustainable Swansea Fit for the Future programme. The Council is the first in Wales to adopt the United Nations Convention on the Rights of the Child placing a duty on the Authority to have due regard to the rights of children and young people and placing them at the centre of decisions that affect them.			
Procurement (6 in total) ①	04	10	10
Sustainable Procurement aims to achieve more than simply obtain best value from the purchase of goods and services while acting legally, ethically and transparently to minimise risk. The full integration of sustainable principles into procurement practice has the potential to add significant value in terms of social, economic and environmental benefits for the community. A fundamental reconfiguration of procurement services which will ensure that the service adopts the principles of Sustainable Swansea is underway. A commercial strategy is also in development which will codify sustainable principles.			
Total - 38 Indicators	023	06	09

Climate Change /Decarbonisation	Information, Initiatives and Targets	Progress																															
<p>Greenhouse Gas Emissions (GHG)</p> <p>(1) Scope 1 Includes fossil fuel use in buildings (gas and heating oil) and fuel used in the Council's fleet (5% biodiesel mix).</p> <p>(2) Scope 2 Includes electricity use. Note: In previous years, conversion factors combined electricity generation and transmission and distribution (T&D) data, (T&D is now recorded in Scope 3).</p>	<p style="text-align: center;">Scope 1 Greenhouse Gas Emissions</p>  <table border="1"> <caption>Scope 1 Greenhouse Gas Emissions</caption> <thead> <tr> <th>Year</th> <th>Tonnes CO_{2e}</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>20,035</td> </tr> <tr> <td>2011/12</td> <td>16,995</td> </tr> <tr> <td>2012/13</td> <td>19,152</td> </tr> <tr> <td>2013/14</td> <td>17,460</td> </tr> </tbody> </table> <p style="text-align: center;">Greenhouse Gas Emissions Generated from Electricity Consumption</p>  <table border="1"> <caption>Greenhouse Gas Emissions Generated from Electricity Consumption</caption> <thead> <tr> <th>Year</th> <th>Scope 2 (Tonnes CO_{2e})</th> <th>Scope 3 (Tonnes CO_{2e})</th> <th>Total (Tonnes CO_{2e})</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>23,679</td> <td>0</td> <td>23,679</td> </tr> <tr> <td>2011/12</td> <td>21,991</td> <td>0</td> <td>21,991</td> </tr> <tr> <td>2012/13</td> <td>19,702</td> <td>0</td> <td>19,702</td> </tr> <tr> <td>2013/14</td> <td>18,599</td> <td>0</td> <td>18,599</td> </tr> </tbody> </table> <p><i>Carbon dioxide equivalent (CO_{2e}) is a universal unit of measurement that allows the global warming potential of different GHGs to be compared.</i></p>	Year	Tonnes CO _{2e}	2010/11	20,035	2011/12	16,995	2012/13	19,152	2013/14	17,460	Year	Scope 2 (Tonnes CO _{2e})	Scope 3 (Tonnes CO _{2e})	Total (Tonnes CO _{2e})	2010/11	23,679	0	23,679	2011/12	21,991	0	21,991	2012/13	19,702	0	19,702	2013/14	18,599	0	18,599	<p>CCS is a key player in Low Carbon Swansea, an initiative which co-ordinates carbon reduction across all sectors in the City and County of Swansea.</p> <p>The fleet includes 27 hybrid vehicles and ten electric cars. Options to introduce an electric vehicle charging infrastructure in partnership with other organisations are being explored. A fleet utilisation review has resulted in the removal of 30 vehicles reducing corporate fleet mileage by 2.5%.</p> <p>This year feasibility studies have explored the benefits of District Heating and a Community Renewable Energy and Enterprise Scheme</p> <p>A 3% carbon emissions reduction target per annum has been set and met from the base year of 2009/10 based on a combination of electricity & fossil fuel consumption.</p>	<p>Scope 1</p>  <p>Scope 2</p>  <p>CO_{2e} Emissions have fallen in Scope 1 and Scope 2</p>
Year	Tonnes CO _{2e}																																
2010/11	20,035																																
2011/12	16,995																																
2012/13	19,152																																
2013/14	17,460																																
Year	Scope 2 (Tonnes CO _{2e})	Scope 3 (Tonnes CO _{2e})	Total (Tonnes CO _{2e})																														
2010/11	23,679	0	23,679																														
2011/12	21,991	0	21,991																														
2012/13	19,702	0	19,702																														
2013/14	18,599	0	18,599																														

<p>(3) Scope 3 Includes business mileage and disposal of construction waste</p>	<table border="1"> <thead> <tr> <th></th> <th>Business Travel Mileage (miles)</th> <th>Emissions Generated (tonnes CO₂e)</th> <th>Expenditure (£)</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>3,648,983</td> <td>1,117</td> <td>1,984,875</td> </tr> <tr> <td>2012/13</td> <td>3,654,429*</td> <td>1,145</td> <td>1,973,849</td> </tr> <tr> <td>2011/12</td> <td>3,865,675</td> <td>1,273</td> <td>2,095,853</td> </tr> <tr> <td>2010/11</td> <td>3,839,919</td> <td>1,287</td> <td>2,030,271</td> </tr> </tbody> </table> <p><i>*In 2012 the methodology was improved to capture wider data</i></p>		Business Travel Mileage (miles)	Emissions Generated (tonnes CO ₂ e)	Expenditure (£)	2013/14	3,648,983	1,117	1,984,875	2012/13	3,654,429*	1,145	1,973,849	2011/12	3,865,675	1,273	2,095,853	2010/11	3,839,919	1,287	2,030,271	<p>There has been a further reduction in the use of own vehicles for business use. The Council's pool bike scheme operates at the Penllergaer, Civic Centre and Guildhall sites.</p> <p>Construction waste emissions have also fallen by 21 tonnes to 99 tonnes CO₂e.</p> <p>Indirect carbon emissions resulting from the transmission and distribution of electricity are account for 1556 tonnes CO₂e.</p>	 <p>Scope 3 emissions have fallen</p>
	Business Travel Mileage (miles)	Emissions Generated (tonnes CO ₂ e)	Expenditure (£)																				
2013/14	3,648,983	1,117	1,984,875																				
2012/13	3,654,429*	1,145	1,973,849																				
2011/12	3,865,675	1,273	2,095,853																				
2010/11	3,839,919	1,287	2,030,271																				
<p>Notes</p> <p>1 Electricity and Gas data is based on utility billing information, some of which will be estimated.</p> <p>2 Fossil fuel (gas and oil) is presented as absolute figures and is not corrected for weather</p> <p>3 Business travel data is for road miles only.</p> <p>4 Carbon emissions are calculated using appropriate Defra/DECC GHG Conversion factors for Company Reporting.</p>																							
<p>(4) Number of Cars Using Park and Ride Services</p> <p><i>An add-on ticket has been introduced which allows discounted day travel on local bus service in the Swansea area for park and ride users.'</i></p>	<p style="text-align: center;">Cars Using Park and Ride</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>No of vehicles</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>302,140</td> </tr> <tr> <td>2011/12</td> <td>303,523</td> </tr> <tr> <td>2012/13</td> <td>277,178</td> </tr> <tr> <td>2013/14</td> <td>265,699</td> </tr> </tbody> </table>	Year	No of vehicles	2010/11	302,140	2011/12	303,523	2012/13	277,178	2013/14	265,699	<p>'Swansea has 3 Park and Ride sites located at Landore, Fabian Way and Fforestfach resulting in a significant reduction in traffic to the City Centre. A subsidy scheme encourages staff to commute using this service. Investment in 'pay by foot' technology has provided more convenience and choice when making payments whilst reducing operating costs. Prepayment and season tickets offer discounts. Collaborative working with the private sector has been identified as a means of innovating to reduce costs in future.</p>	 <p>A 'below target' decline in use reflects the wider economic, shopping and the competitive parking environment</p>										
Year	No of vehicles																						
2010/11	302,140																						
2011/12	303,523																						
2012/13	277,178																						
2013/14	265,699																						

(5) The average SAP (Standard Assessment Procedure) rating of local authority owned dwellings. (HSG4)



The SAP rating of a house measures its energy efficiency performance and represents the average of Energy Performance Certificates carried out since October 2008. The Wales Housing Quality Standard which the Council is committed to work towards includes a SAP rating of 65.

Initiatives to increase council house energy efficiency included the Energy Company Obligation (ECO) which part funded loft insulation to properties. The installation of new efficient boilers and external wall insulation is also to be part funded by (ECO) as well as Welsh Government funding via Arbed.



Improving trend and SAP rating increased to 64 in 2013/14 WHQS target is 65

(6) Average Display Energy Certificate (DEC) rating in the Council's public buildings

	Rating	Grade
2013/14	86.5	D
2012/13	92.6	D
2011/12	94.6	D
2010/11	98.7	D



A 'D' Grade is awarded to sites with a Display Energy Certificate rating of between 76 to 100.

All public buildings over 1000m² must display a DEC. Buildings are graded from "A" to "G" with an "A" rating being the most energy efficient. An average grade of "D" has been maintained however the rating on which this grade is based has significantly improved.

In addition all public buildings over 500m² have a ten year Display Energy Certificate and some smaller buildings have been issued with Voluntary DEC's.

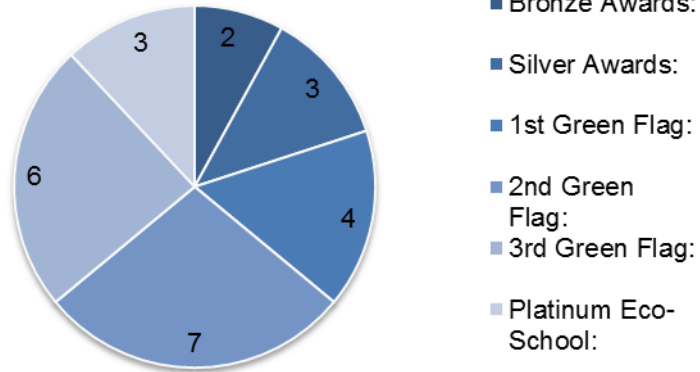


The average rating score has improved

Sustainable Use of Natural Resources	Information, Initiatives and Targets				Progress																															
<p>(7) Water and sewage expenditure) <i>Includes an informed estimate relating to a minority of schools in prior years</i></p>	<table border="1"> <thead> <tr> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> </tr> </thead> <tbody> <tr> <td>£777,098</td> <td>£961,266</td> <td>£1,040,872</td> <td>£1,318,000</td> </tr> </tbody> </table>				2010/11	2011/12	2012/13	2013/14	£777,098	£961,266	£1,040,872	£1,318,000	<p>Discussions are ongoing with Welsh Water to introduce centralised billing and automatic metering (AMR). In the absence of these tools it is not possible to fully understand the increase in expenditure. Detailed billing is currently only recorded for 30 corporate buildings precluding greater analysis and the effective monitoring and control of consumption.</p>	 <p><i>Recorded expenditure has increased</i></p>																						
2010/11	2011/12	2012/13	2013/14																																	
£777,098	£961,266	£1,040,872	£1,318,000																																	
<p>(8) Consumption of water at key civic offices (Civic Centre and Guildhall)</p>	<table border="1"> <thead> <tr> <th>Civic Centre</th> <th>Expenditure £</th> <th>Cubic metres</th> <th>Guildhall</th> <th>Expenditure £</th> <th>Cubic metres</th> </tr> </thead> <tbody> <tr> <td>2013-14</td> <td>£30,528</td> <td>10,244</td> <td>2013-14</td> <td>£77,336*</td> <td>26,444</td> </tr> <tr> <td>2012-13</td> <td>£28,237</td> <td>9,732</td> <td>2012-13</td> <td>£16,603</td> <td>5,740</td> </tr> <tr> <td>2011-12</td> <td>£30,651</td> <td>11,013</td> <td>2011-12</td> <td>£16,114</td> <td>5,811</td> </tr> <tr> <td>2010-11</td> <td>£57,272</td> <td>21,094</td> <td>2010-11</td> <td>£17,485</td> <td>6,244</td> </tr> </tbody> </table>				Civic Centre	Expenditure £	Cubic metres	Guildhall	Expenditure £	Cubic metres	2013-14	£30,528	10,244	2013-14	£77,336*	26,444	2012-13	£28,237	9,732	2012-13	£16,603	5,740	2011-12	£30,651	11,013	2011-12	£16,114	5,811	2010-11	£57,272	21,094	2010-11	£17,485	6,244	<p>*A leak at the Guildhall was identified at the end of 2013, despite immediate action this resulted in an increase in consumption of approximately 20,000 cubic metres. A rebate of £29,500 has been agreed on the sewerage element of the water bills Recent investment in a new water main to the Guildhall will eliminate any future leaks experienced with the old underground pipework.</p> <p><i>Usage does not take into account refurbishment activity and changes in staffing numbers</i></p>	 <p><i>Adjusting for leakage, there was a slight increase in usage at both centres.</i></p>
Civic Centre	Expenditure £	Cubic metres	Guildhall	Expenditure £	Cubic metres																															
2013-14	£30,528	10,244	2013-14	£77,336*	26,444																															
2012-13	£28,237	9,732	2012-13	£16,603	5,740																															
2011-12	£30,651	11,013	2011-12	£16,114	5,811																															
2010-11	£57,272	21,094	2010-11	£17,485	6,244																															

(9) Number of schools attaining Eco Schools International Green Flag Programme Awards

Green Flag Scheme Awards Gained in 2013/14



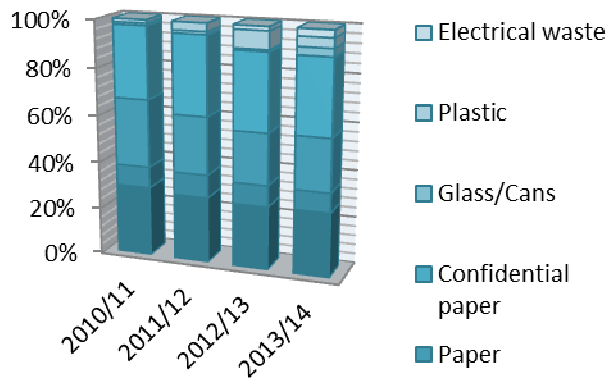
The Eco Schools programme is a student led, environmental management system which provides a structure for sustainable development activities in schools.

The number of schools registered has fallen to 84 from a high of 100. The decrease in Swansea Schools' participation and activity levels reflects the two yearly green flag renewal cycle and wider Welsh engagement trends as more schools reach the standard.



(10) Waste recycled at Civic Centre



Civic Centre Waste








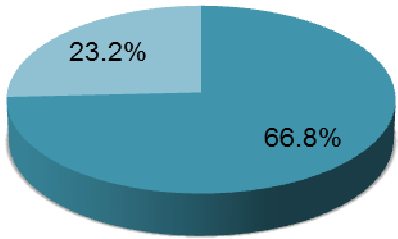

	2013/14	2012/13	2011/12	2010/11
Total Rubbish and Recycling (tonnes)	203	231	194	188
Total Recycling (tonnes)	148	169	140	133
Recycling Rate %	73	73	72	70

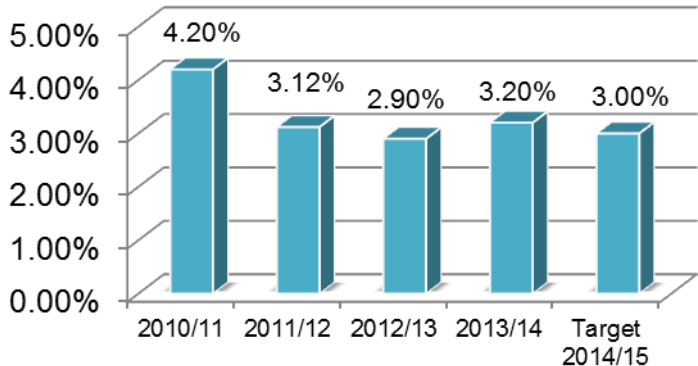
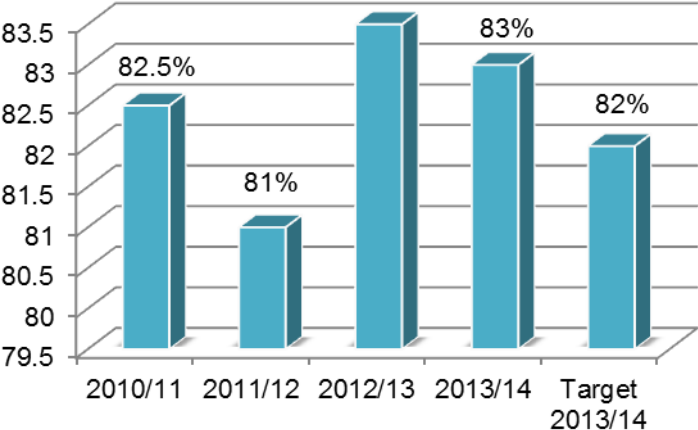
While the percentage recycled has remained consistent, the amount of total waste has reduced



<p>(11) The percentage of municipal waste sent to landfill</p>	<p style="text-align: center;">The Percentage of Municipal Waste Sent to Landfill</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>59%</td> </tr> <tr> <td>2011-12</td> <td>54%</td> </tr> <tr> <td>2012/13</td> <td>50%</td> </tr> <tr> <td>2013/14</td> <td>44%</td> </tr> <tr> <td>Target 2014/15</td> <td>45%</td> </tr> </tbody> </table>	Year	Percentage	2010-11	59%	2011-12	54%	2012/13	50%	2013/14	44%	Target 2014/15	45%	<p>A range of initiatives contributed to a reduction in waste sent to landfill including Swapshop and the Real Nappy Campaign, Pop up recycling sites also were trialled at a number of community sites in 2014. The SWAT Team break down household items for recycling. The Cornershop has proved popular and improved reuse levels, the project which reclaims and sells items destined for landfill has been extended to include PAT tested electrical goods. Over 200 tonnes of goods were reused during the year.</p>	<p style="text-align: center;"></p> <p><i>In 2013/14 performance exceeded the target of 48% and target to aim for 46%.</i></p>
Year	Percentage														
2010-11	59%														
2011-12	54%														
2012/13	50%														
2013/14	44%														
Target 2014/15	45%														
<p>(12) The percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled, including source segregated biowastes that are composted or treated biologically in another way (WMT/009b)</p>	<p style="text-align: center;">Waste Collected and Prepared for Reuse and/or Recycled</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>40%</td> </tr> <tr> <td>2011/12</td> <td>45.15%</td> </tr> <tr> <td>2012/13</td> <td>47.65%</td> </tr> <tr> <td>2013/14</td> <td>52.82%</td> </tr> <tr> <td>Target 2014/15</td> <td>55%</td> </tr> </tbody> </table>	Year	Percentage	2010/11	40%	2011/12	45.15%	2012/13	47.65%	2013/14	52.82%	Target 2014/15	55%	<p>Recycling targets are increasingly challenging and require the support of the public if they are to be met. In 2014/15 this target was set at 52%. Publicity included the 'Give it a try' campaign and a food waste 'selfie' competition. While Sammy Seagull heads up the schools recycling programme Surveying followed up by targeted door-knocking campaigns, thanking and helping residents increase their recycling were effective. The 'Keep it to 3' strategy was developed in 2013 and preparation undertaken for the launch in April 2014.</p>	<p style="text-align: center;"></p> <p><i>The 2013/14 performance target was set at 52%. This target was achieved.</i></p>
Year	Percentage														
2010/11	40%														
2011/12	45.15%														
2012/13	47.65%														
2013/14	52.82%														
Target 2014/15	55%														

<p>(13) The percentage of local authority collected municipal waste used to recover heat and power (WMT/012)</p>	<p>The formal percentage of waste used to recover heat and energy is officially recorded at 2.8% due to the exclusion of food waste sent for anaerobic digestion at the time of publication. However, if as in past and future years the tonnage of food waste sent for anaerobic digestion is included (as approved by Welsh Government), the actual figure is 7.3% for 2013/14. This achieves the target of 6%. The target for 2014/15 has been set at 4% based on the tonnage of food waste likely to be sent for anaerobic digestion as there are no firm plans to send materials for treatment to Energy from Waste, carpets for example are instead being recycled wherever possible.</p>		<p style="text-align: center;"></p> <p style="text-align: center;"><i>7.3% in direct comparison with previous years</i></p>										
<p>(14) Percentage of biodegradable municipal waste landfill allowance used</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Year</th> <th style="width: 30%;">Allowance used (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2013/14</td> <td style="text-align: center;">85.1</td> </tr> <tr> <td style="text-align: center;">2012/13</td> <td style="text-align: center;">81.2</td> </tr> <tr> <td style="text-align: center;">2011/12</td> <td style="text-align: center;">72.6</td> </tr> <tr> <td style="text-align: center;">2010/11</td> <td style="text-align: center;">78.2</td> </tr> </tbody> </table>	Year	Allowance used (%)	2013/14	85.1	2012/13	81.2	2011/12	72.6	2010/11	78.2	<p>The Authority has an annual Landfill Allowances Scheme allowance which governs the amount of biodegradable municipal waste it can send to landfill in any given year.</p> <p>The allowance reduces each year making each year more challenging. The authority risks fines if it fails to meet its target.</p>	<p style="text-align: center;"></p> <p style="text-align: center;"><i>The stretch target of 90% has been comfortably met however a higher proportion of allocation was used.</i></p>
Year	Allowance used (%)												
2013/14	85.1												
2012/13	81.2												
2011/12	72.6												
2010/11	78.2												
Natural Environment	Information, Initiatives and Targets		Progress										
<p>(15) Number of Green Flags and Blue Flags awarded to local authority operated areas</p>	<p>Singleton Botanical Gardens, Victoria Park, Brynmill Park, Clyne Gardens and for the first time Cwmdonkin Parks were awarded the Green Flag Award in 2013/14. The Council works with local communities to regenerate parks by supporting the development of Friends groups.</p> <p>Grant funding for playground equipment has been targeted at parks in five deprived communities where the investment can leverage significant social impacts.</p>	<p>Four beaches were awarded the Blue Flag, Port Eynon, Caswell, Llangland and Bracelet. At Swansea Bay predicted water quality information is posted thrice daily at the slip, meeting EU standards. In addition, Swansea Marina is moving toward the British Marine Federation's Green Blue Initiative Award as a more relevant environmental standard for a Marina.</p>	<p style="text-align: center;"></p>										

<p>(16) Number of biodiversity training sessions delivered, action plans produced and employees trained</p>	<p>In 2013/14, 5 training sessions were run, 4 Action plans produced and 54 employees/Community Councillors. This action aims to help the Local Authority and other public bodies to understand their obligations for biodiversity under the Natural Environment and Rural Communities Act 2006, and to provide information and advice on ways in which they can adopt relevant working practices which help to conserve and enhance biodiversity. A pilot project 'Wild about your Ward' maps natural resources at a local level making visible opportunities for potential economic, health and social benefit and enabling efforts to be concentrated where there is most impact.</p>								
<p>(17) Number of Local Nature Reserves (LNR)s</p>	<p>The Authority currently has 6 Local Nature Reserves which are managed by the Nature Conservation Team in partnership with other organisations with help from local volunteers. LNRs are areas of high biodiversity value which are accessible to people and provide opportunities for people to enjoy nature close to where they live.</p>	<p>Progress toward the designation of a seventh LNR at Garth Farm is on target with the consultation phase underway.</p>							
<p>(18) The percentage of total length of Rights of Way which are easy to use by members of the public</p>	<div data-bbox="566 788 1189 1358" data-label="Figure"> <p style="text-align: center;">The Percentage of Total Length of Rights of Way Easy to Use by Members of the Public</p>  <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Rights of Way easy to use by members of the public</td> <td>66.8%</td> </tr> <tr> <td>Rights of Way</td> <td>23.2%</td> </tr> </tbody> </table> </div> <p>The Countryside Access Team are responsible for nearly 400 miles of public rights of way</p> <p>Partnership working with stakeholders helps fund this work. While the active engagement of citizens and groups as volunteers helps improve existing and develop new routes.</p> <p>Initiatives such as the Swansea Nature Network and Countryside Connections Project promote access and enjoyment of local green spaces and wildlife sites.</p>		Category	Percentage	Rights of Way easy to use by members of the public	66.8%	Rights of Way	23.2%	 <p><i>Target achieved and exceeded but sample less accessible than previous year (78%)</i></p>
Category	Percentage								
Rights of Way easy to use by members of the public	66.8%								
Rights of Way	23.2%								

Social Inclusion	Information, Initiatives and Targets	Progress												
<p>(19) Percentage of young people (at 16 years) not known to be in Education, Employment or Training (NEET) (EDCP18c)</p>	<p>The Number of Young People Known to be NEET</p>  <table border="1"> <caption>The Number of Young People Known to be NEET</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>4.20%</td> </tr> <tr> <td>2011/12</td> <td>3.12%</td> </tr> <tr> <td>2012/13</td> <td>2.90%</td> </tr> <tr> <td>2013/14</td> <td>3.20%</td> </tr> <tr> <td>Target 2014/15</td> <td>3.00%</td> </tr> </tbody> </table>	Year	Percentage	2010/11	4.20%	2011/12	3.12%	2012/13	2.90%	2013/14	3.20%	Target 2014/15	3.00%	<p>A partnership approach aims to deal with factors such as poverty and social exclusion that can lead to young people being at risk of being NEET. The 'Keeping in Touch' Project tracks and provides support for school leavers at 16. (2013/14 figures relate to academic year 2012/13).</p> <p>The successful approach has been extended to 18-24 year olds claiming Job Seekers Allowance.</p>
Year	Percentage													
2010/11	4.20%													
2011/12	3.12%													
2012/13	2.90%													
2013/14	3.20%													
Target 2014/15	3.00%													
<p>(20) Learners leaving Employment Training with a positive outcome</p>	<p>Learners Leaving Employment Training with a Positive Outcome</p>  <table border="1"> <caption>Learners Leaving Employment Training with a Positive Outcome</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>82.5%</td> </tr> <tr> <td>2011/12</td> <td>81%</td> </tr> <tr> <td>2012/13</td> <td>83.5%</td> </tr> <tr> <td>2013/14</td> <td>83%</td> </tr> <tr> <td>Target 2013/14</td> <td>82%</td> </tr> </tbody> </table>	Year	Percentage	2010/11	82.5%	2011/12	81%	2012/13	83.5%	2013/14	83%	Target 2013/14	82%	<p>Employment Training provides young people with opportunities from work tasters and traineeships to apprenticeships at the highest level. An Environmental and Sustainability Global Citizenship Officer and Welsh Bilingual Champion support the development and embedding of cross cutting themes in the curriculum.</p> <p>Work is progressing with Swansea University to develop entrepreneurial training to build the resilience and independence of learners benefiting the local economy.</p>
Year	Percentage													
2010/11	82.5%													
2011/12	81%													
2012/13	83.5%													
2013/14	83%													
Target 2013/14	82%													



Target not quite met in 2013/14. This plateau is being addressed by the NEETS Board, who are assessing the strategic options and arranging for joint action.



Target exceeded although decrease of 0.5% performance on prior year.

(20) Percentage of pupils of statutory age claiming Free School Meals (FSM)

Snapshot data reported at January 2014 indicates Free School Meals are claimed by 19.9% of statutory age pupils. This rate is lower than estimated entitlement to this benefit, a situation attributed to cultural and language factors. While the rate of claims has fallen 0.8% since 2012/13, the positive trend may not translate into an improvement in child poverty. Schools report the impact of welfare reform has reduced entitlement to FSM. Changes in entitlement to benefits which trigger FSM have impacted eligibility although family circumstances have not changed. School based initiatives motivated by the link to the Pupil Deprivation Grant ensure parents and carers are aware of this benefit and have the opportunity to apply.



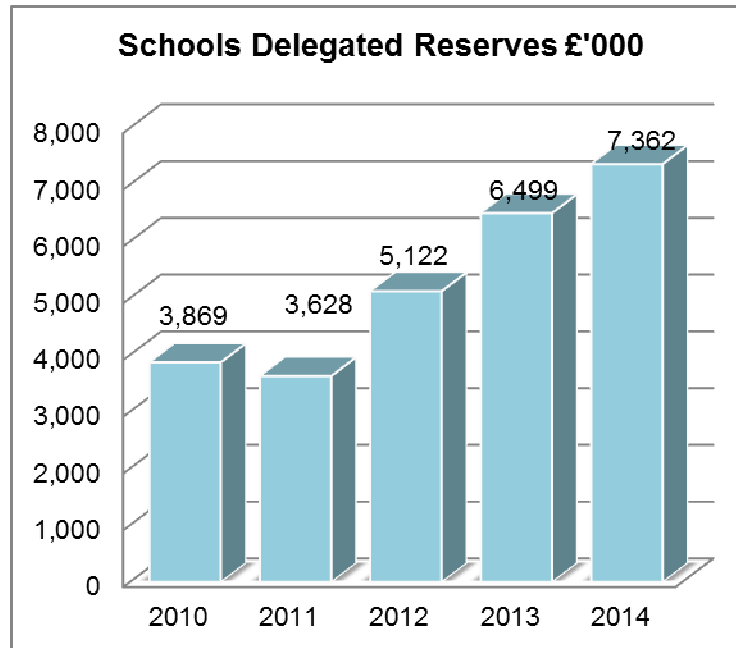
Small decrease

Economic Resilience

Information, Initiatives and Targets

Progress

(22) Level of funds in reserve (£,000)

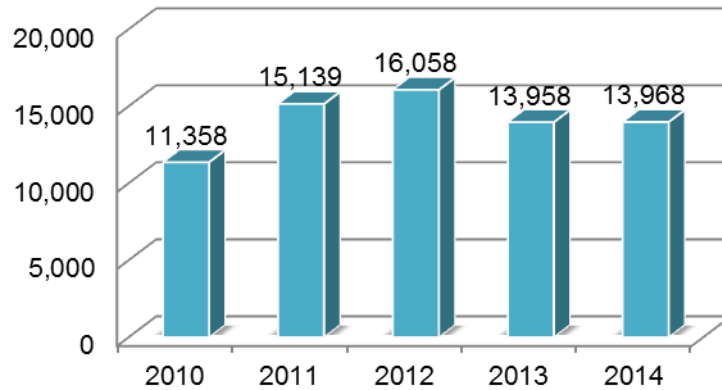


The Housing Revenue Account Reserves will be used to fund the capital works to meet the Welsh Quality Housing Standard more quickly, apart from £4m which is held as a general HRA contingency fund.

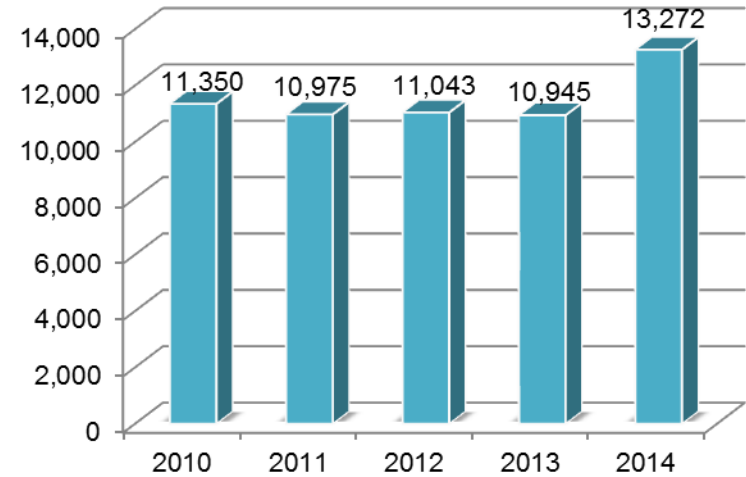
Schools Delegated Reserves have increased.



Housing Revenue Account £'000

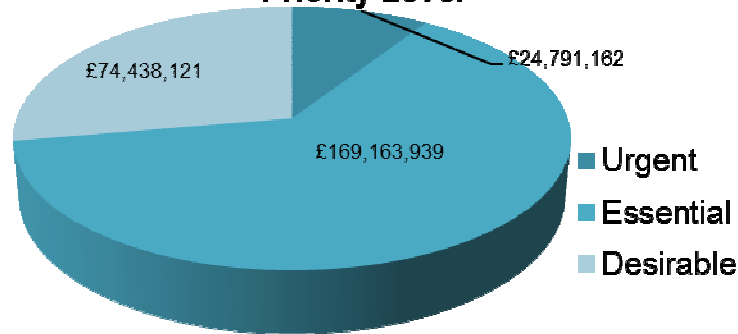


General Reserve and Contingency £'000



(23) Asset management _
The total value of required maintenance for the Local Authority's buildings assigned to works of priority level

The Total Value of Required Maintenance for the Local Authority's Buildings Assigned to Works of Priority Level

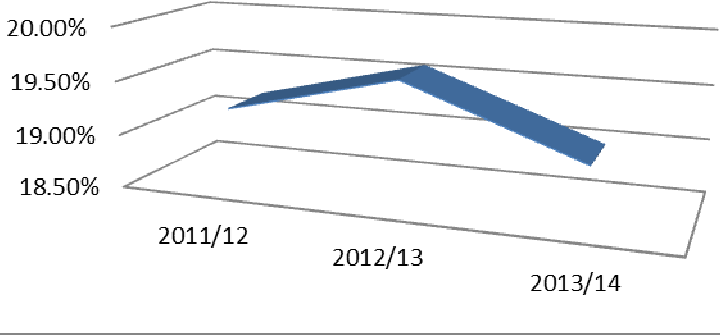

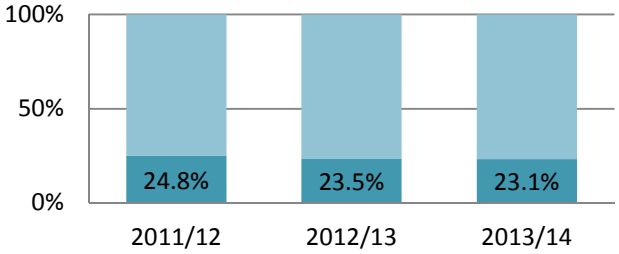




The percentage of the gross internal area of the local authority's buildings in condition categories considered good is 7%, satisfactory -47%, poor - 45% and bad - 1% in 2013/14.





The total value of required maintenance was approximately £268.393 million compared to approximately £291.669 million in the previous year.



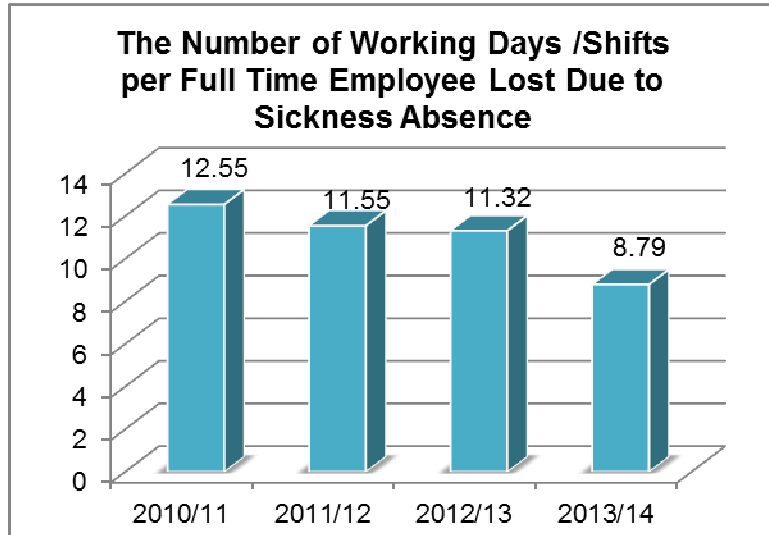
Total value of required work has decreased.

<p>(24) The percentage of void properties in the City Centre</p>	<p style="text-align: center;">Number of Vacant Properties Within the City Centre in 2013/14*</p>  <p style="text-align: center;">* The average for 2013/14 excludes figures for February and March as data is now collected quarterly. Note the figures include Mansel Street</p>	<p>The percentage of void properties in the wider City Centre averaged 19% of which on average 9.5% were registered for retail use. The Council works closely with Swansea's Business Improvement District (BID) to actively promote a vibrant City Centre to overcome the national trend in increasing empty properties. The <u>Building Enhancement Programme</u> has helped to improve City Centre Premises. Efforts to regenerate the City include the encouragement of mixed use development and a thriving 24 hour economy.</p>	<p style="text-align: center;"></p> <p style="text-align: center;"><i>A slight increase on the previous year</i></p>
<p>(25) Percentage of children in Poverty (under 16)</p>	<p style="text-align: center;">Percentage of Children Living in Poverty</p>  <p style="text-align: center;"> ■ Children Living in Families with above 60% median income ■ Children Living in Poverty </p>	<p>This indicator has decreased from 24.8% reported in 2011/12. However, the recorded improvement is a comment on 'relative rather than absolute' poverty. In an environment where average living standards have declined, the decrease does not necessarily reflect an improvement in the circumstances of Swansea's children.</p> <p>In July 2013 an Advice Centre was opened at the Civic Centre staffed by support agencies to provide a co-ordinated response to the impact of</p>	<p style="text-align: center;"></p> <p style="text-align: center;"><i>Decrease in relative poverty of 0.4%</i></p>

	<p><i>The 'Children in Low Income Families Measure' defines a child as being in relative poverty if they live in a household where income is less than 60 per cent of the national median income. This includes working families in receipt of tax credits as well as families claiming out of work benefits.</i></p>	<p>welfare reform and help families maximise their income.</p> <p>A whole council approach is taken to tackling poverty with all services targeting their resources to improve Swansea's most deprived communities. Preventative services exist in Social Services, Education, Housing, and across Poverty & Prevention e.g. Family Intervention Project and Tenancy Support Unit, parenting, and Team around the Family etc.</p>	
<p>(26) The percentage of clients returning home after residential re-ablement</p>	<p>A residential re-ablement service has been developed to help older people who need a short period of care to help them recover after a fall or illness.</p> <p>Step up/ Step down assessment beds at Bonymaen House and Ty Waunarllydd provide high quality, person centred care improving the likelihood of a return to local communities and support networks</p> <p>54% of people receiving a residential re-ablement service are returning home rather than being admitted to long term or hospital care.</p> <p>Social Opportunity Clubs help older people build social networks to improve their wellbeing. Carers are valued and supported with Carer Needs Assessments and via investment in Swansea Carers Centre</p>	<p>This new indicator demonstrates how Social Services is being redesigned with service users to be more resilient in the face of rising demand.</p> <p>The Transforming Adult Social Services programme aims to increase the range of community support accessible to citizens and invests in preventative approaches benefiting citizens' health and reducing long term costs.</p> <p>The Western Bay Health and Social Care Programme facilitates collaborative working with health partners based on a regional strategy and analysis of demand.</p>	<p style="text-align: center;"></p> <p style="text-align: center;">New Indicator</p> <p><i>(a baseline has yet to be set)</i></p>

Governance	Information, Initiatives and Targets	Progress
(27) The percentage of citizens satisfied with the overall standards of services provided by the Local Authority	<p>Swansea Voices Citizens' Panel consists of a representative sample of 1,250 residents who are regularly consulted by the Council about its services and local issues. The most recent survey was undertaken In July 2012 whereby of those who responded, 68% were satisfied with overall standards of service provided by the Local Authority compared to 84% in July 2010.</p> <p>Work is being undertaken to develop a more regular and comparable source of reputational and customer satisfaction awareness.</p>	
(28) Number of complaints upheld	<p>Complaints provide a valuable opportunity to improve services so the Complaints Team is developing systems to better collate and learn from this information. In 2013/14, 885 corporate complaints were recorded by the Authority.</p> <p>A test central recording mechanism was rolled out to all Service Areas during 2013/14. This has started to provide a more comprehensive picture of 'Stage 1' complaints received, together with details of the outcome of those complaints. Of the 480 Stage 1 complaints that were captured and completed using the new monitoring system, 16.3% were justified, 15.6% were part justified and 41.7% were not justified. Outcomes were not specified in 26.5% of cases and work continues to ensure that all outcomes are recorded.</p> <p>During the year, 108 of the corporate complaints were referred for further investigation to 'Stage 2' of the complaints process, with 34 matters being referred to the Public Services Ombudsman for Wales.</p>	 <p>The number of complaints referred by the ombudsman has decreased from 36 in 2012/13</p>
(29) Attendance at meetings by Councillors	<p>Average attendance at meetings was broadly consistent with previous years as each meeting of Council averaged 84%, attendance and Committee meetings (for which agendas are published online) averaging 74%.</p>	
(30) The gender of Councillors (% female)	<p>The Member Support Unit recorded 72 members in April 2013 of whom 28 or 38% were female Councillors. Cabinet consists of 10 Members, 3 of whom are female, including the Deputy Leader and Wales's only Cabinet Member for Sustainability.</p>	

(31) The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence (CHR/002)

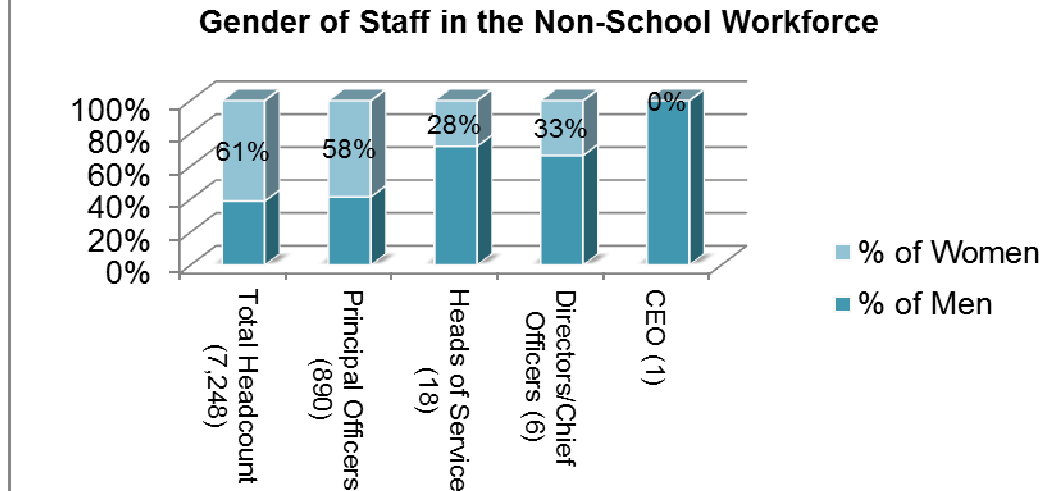


The Council aims to be an excellent organisation to work for and in, by creating a culture that encourages employees to attend work and in doing so provides the best possible services to our customers. Early intervention and preventative approaches include mandatory Employee Health and Wellbeing training for managers, stress management interventions, monthly Health Fairs and a prompt and supportive occupational health service. Innovative approaches such as the volunteer based 'Helping Hands' service and closer collaboration with external agencies/providers are supported.



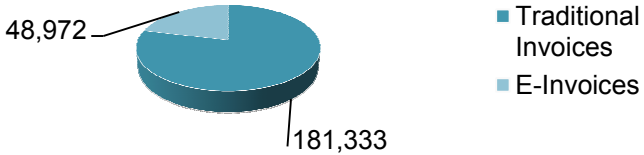





Performance has improved, the target of ten days has been exceeded


(32) The gender of senior staff (% female)



Changes reflect Senior Management Team restructuring and reductions in staffing levels. The percentage of women at Principal Officer level has remained

	<i>The general workforce columns exclude employees on alternative salary schemes (e.g. Soulbury) and include some anomalies within the system due to legacy terms and conditions. CEO, Directors and HOS are also on a separate scheme. *Principal Officers are based on Salary points 35-55.</i>	<i>consistent but has increased in both absolute and percentage terms at senior levels</i>
Procurement	Information, Initiatives and Targets	Progress
(33) Increase in the number of projects with social benefit clause & Beyond Bricks and Mortar in their contracts (BBMA1)	<p>The Beyond Bricks and Mortar scheme uses social benefit clauses in public sector contracts to maximise benefits of Council's regeneration programme by providing work experience, jobs and training for the economically inactive and unemployed.</p> <p>Collaboration work with the Local Service Board and Economic Regeneration Partnership resulted in 19 projects in 2013/14, an increase from 17 projects in 2012/13 and 12 in 2011/12. Since the scheme's inception over 4000 person weeks of training have been achieved with 134 people benefiting from training opportunities.</p>	
(34) Increase in the number of appropriate Council contracts that contain social benefit clauses (BBMA2)	<p>Sixteen City and County of Swansea projects promoted the use of social benefit clauses in 2013/14. The notional value of contracts (at project commencement) issued by the City and County of Swansea with a social benefit clause was £57 million in 2013/14.</p> <p>Beyond Bricks and Mortar won the Welsh National Procurement Awards Community Benefit Award for 2014.</p>	 <p><i>This is an increase of 2 on the previous year's 14 projects.</i></p>
(35) Percentage of e-invoices as a percentage of total invoices	<p>E-Invoices as a Percentage of Total Invoices</p>  <p>48,972</p> <p>181,333</p> <ul style="list-style-type: none"> ■ Traditional Invoices ■ E-Invoices 	<p>E-Invoices refer to transactions where invoices are electronically received and processed resulting in a more effective use of human, financial and natural resources. Additionally included are internal interfaces and Purchasing Card transactions from departments.</p>  <p><i>Increased to 21% of transactions in 2013/14</i></p>

	<p>While the number of pure e-invoices (no physical documentation) has increased slightly, the number of invoices received by email has steadily increased and is now estimated at 15,000 per annum. An invoice scanning process is under investigation to minimise the manual intervention necessary to process these transactions.</p>														
<p>(36) Percentage of procurement spend on local suppliers</p>	<p style="text-align: center;">Percentage of Procurement Spend on Local Suppliers</p> <table border="1"> <thead> <tr> <th>Year</th> <th>General Spend (%)</th> <th>Local Spend (%)</th> </tr> </thead> <tbody> <tr> <td>2011/12</td> <td>65%</td> <td>35%</td> </tr> <tr> <td>2012/13</td> <td>63%</td> <td>37%</td> </tr> <tr> <td>2013/14</td> <td>67%</td> <td>33%</td> </tr> </tbody> </table>	Year	General Spend (%)	Local Spend (%)	2011/12	65%	35%	2012/13	63%	37%	2013/14	67%	33%	<p>£87 million of a total procurement spend of £264 million was placed with local suppliers (registered with a Swansea postcode) in 2013/14.</p> <p>While this is an increase of £3 million in terms of actual spend in the local economy, it represents a smaller proportion of overall spend than in previous years.</p> <p>The Opening Doors Charter has been adopted and is implemented to make contracts more accessible to Small to Medium Enterprises and the Third Sector.</p>	
Year	General Spend (%)	Local Spend (%)													
2011/12	65%	35%													
2012/13	63%	37%													
2013/14	67%	33%													
<p>(37) Number of suppliers attending sustainable development training courses</p>	<p>Swansea is committed to maximising the percentage of expenditure with micro, small and medium SMEs (without contravening EC Procurement Directives) and is proactive in local supply chain development.</p> <p>The Procurement Service works in partnership with Business Wales Tendering Support to deliver events designed to improve the capability and capacity of local SME's. In 2013/14 285 businesses attended tendering events, in addition to briefing sessions designed to alert potential local suppliers to relevant forthcoming opportunities.</p>	 <p><i>This builds on the 240 attendees in the previous year.</i></p>													

<p>(38) Public Sector Sustainable Procurement Assessment Framework (SPAF) Score</p>	<p>The Sustainable Procurement Assessment Framework against which Swansea consistently scored highly and set a benchmark for local authorities has been discontinued by Value Wales.</p> <p>The Initiative has been superceded by the 'Wales Procurement Policy Statement' which aims to maximise the impact of Welsh procurement policy' and is based on sustainable principles. A 'Capability Module' has been introduced as a means of self assessment in future years. This will be complemented by the use of Sustainable Risk Assessments and the Welsh Government Community Benefit Measurement Tool (applied on the Morryston Comprehensive Project) which records the wider impacts of key development projects on local communities.</p>	
--	--	---

For further information please visit www.swansea.gov.uk/sustainabledevelopmentreporting

Agenda Item 13.a

Joint Report of the Monitoring Officer and Head of Democratic Services

Council – 30 September 2014

CONSTITUTIONAL MATTERS 2014-2015 - CHANGES

Purpose:	To outline a number of proposed Constitutional changes which affect those positions that receive Senior Salaries and the list of Council Bodies.
Policy Framework:	Council Constitution.
Reason for Decision:	To enable the proposed changes.
Consultation:	Equality & Engagement, Finance, Legal.
Recommendation(s)	It is recommended that: <ol style="list-style-type: none">1) The 4 Executive Support Committees be deleted from the list of Council Bodies;2) The following positions be removed from the list of those paid a Senior Salary:<ul style="list-style-type: none">• Chair of Executive Support Committee x 4;3) The following 5 Cabinet Advisory Committees (CAC's) be established:<ul style="list-style-type: none">• Business and Administration;• Economy & Investment;• Engagement & Inclusion;• People;• Place.4) The following positions be added to the list of those paid a Senior Salary commensurate with that of a Band 3 Committee Chair:<ul style="list-style-type: none">• Chair of Business and Administration Cabinet Advisory Committee;• Chair of Economy & Investment Cabinet Advisory Committee;• Chair of Engagement & Inclusion Cabinet Advisory Committee;• Chair of People Cabinet Advisory Committee;• Chair of Place Cabinet Advisory Committee.5) The Terms of Reference of the Cabinet Advisory Committees as listed in Appendix A be adopted;6) The Role Description for the Chair of the Cabinet Advisory Committees as listed in Appendix B be adopted;

- 7) Councillors be allocated to serve on the 5 Cabinet Advisory Committees in line with the nominations received from the Political Groups;
- 8) The Council Constitution be amended as shown in the Appendix to this report and the Monitoring Officer be authorised to make any consequential amendments to the Constitution required as a result of this report at the close of this meeting of Council.

Report Author: Huw Evans

Finance Officer: Mike Hawes

Legal Officer: Patrick Arran

Access to Services Officer: Euros Owen

1. Introduction

- 1.1 At the Annual Meeting of Council held on 8 May 2014, the “Constitutional Matters 2014-2015” report was adopted. That report addressed the requirements of legislation and the Council Constitution.
- 1.2 Since that time, a new Leader of the Council has been appointed (Council - 9 September 2014). The Leader of the Council has proposed amendments to the list of Council Bodies and to the posts eligible for Senior Salaries.

2. Leader, Cabinet Member and Portfolios

- 2.1 The Leader of the Council, Councillor R C Stewart has appointed Councillors to his Cabinet and also designated their associated Cabinet Portfolios:

Rob C Stewart	Leader Finance & Strategy
Christine Richards	Deputy Leader Services for Children & Young People
Mark C Child	Wellbeing & Healthy City
Will Evans	Anti-Poverty
Robert Francis-Davies	Enterprise, Development & Regeneration
Jane E C Harris	Services for Adults and Vulnerable People
David H Hopkins	Communities & Housing
Clive E Lloyd	Transformation & Performance
Jennifer A Raynor	Education
Mark Thomas	Environment & Transportation

3. The Proposals

- 3.1 Delete the four (4) Executive Support Committees from the Council Bodies list. The Chairs of the Executive Support Committees be removed from the list of those positions paid a Senior Salary.
- 3.2 Create five (5) Cabinet Advisory Committees as follows:
- Business and Administration;
 - Economy & Investment;
 - Engagement & Inclusion;
 - People;
 - Place.
- 3.3 The five (5) Chairs of the Cabinet Advisory Committee be added to the list of those that shall receive a Senior Salary. The Chairs shall be paid a Senior Salary commensurate with that of a Band 3 Committee Chair. This amount is set by the Independent Remuneration Panel for Wales (IRPW).

4. Senior Salaries

- 4.1 The Independent Remuneration Panel for Wales (IRPW) has set a level within each Authority relating to the maximum number of Councillors entitled to receive a Senior Salary. A Senior Salary is inclusive of the Basic Salary. The maximum level within the City and County of Swansea is 19.
- 4.2 This proposal will mean that all 19 Senior Salaries will be utilised.

5. Cabinet Advisory Committees (CAC's)

- 5.1 The Cabinet Advisory Committees shall help form the future shape and function of the Council. In a period of major change in the future role of the Council and the requirement for significant savings, these Committees shall seek to inform policy development and its alignment with the direction in Sustainable Swansea - Fit for the Future programme.
- 5.2 The Cabinet Advisory Committees shall not carry out the role of Scrutiny.
- 5.3 It is intended that they will be collaborative Committees where all sides of the Council Chamber play an active role in the future of the Council.
- 5.4 The Cabinet Advisory Committees will assist the Cabinet to develop policies aimed at helping the Authority to achieve better outcomes for the citizens of Swansea.

5.5 The allocation of seats to Political Groups on the Cabinet Advisory Committees shall be in accordance with the Political Balance Rules contained in the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 (SI 1553/90) as amended. It is proposed that they be Committees of 13 Councillors, divided into Political Groups as follows:

- Labour x 9;
- Liberal Democrats x 2;
- Independents x 1;
- Conservative x 1.

5.6 The Terms of Reference of the Cabinet Advisory Committees shall include Policy Development and advice on major service change. The Terms of Reference are listed in **Appendix A**.

5.7 The Cabinet Advisory Committees shall meet on a 4 weekly cycle or as required.

6. Member Champions

6.1 Member Champions exist to provide a voice for traditionally underrepresented groups, on issues which need to be kept at the forefront of Council business although they may not be the responsibility of any individual or Committee.

6.2 Member Champions, (sometimes called Lead Members or Councillor Champions) in addition to their other Council responsibilities make sure that the issue or group that they are championing are taken into account when Council policy is being developed and decisions are made. Further information relating to Member Champions may be found within the 'Member Champions' report that was presented to Council on 17 January 2013.

6.3 Member Champions are appointed by the Leader of the Council. It is deemed best practice that the Leader of the Council informs Council of whom he has appointed to the Member Champion roles.

6.4 The current list of Member Champions and their associated topic areas as appointed by the Leader of the Council is listed as **Appendix C**.

7. Appointment of Chairs & Vice Chairs

7.1 Following the close of this Meeting of Council, the relevant Committees shall meet in order to conduct the business of electing Chairs and Vice Chairs to these Committees.

8. Equality and Engagement Implications

- 8.1 An Equality Impact Assessment (EIA) screening process took place prior to the consultation period. The outcome indicated that it was low priority and a full report was not required.

9. Financial Implications

- 9.1 The creation of 5 Cabinet Advisory Committees together with the payments of Senior Salaries to each of the 5 Chairs will be met from within existing budget.

10. Legal Implications

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

Background Papers: None

Appendices:

Appendix A	Terms of Reference of Cabinet Advisory Committees
Appendix B	Role Description - Chairs of Cabinet Advisory Committee
Appendix C	Member Champions

Appendix A

Cabinet Advisory Committees - Terms of Reference

- 1) To advise the relevant Cabinet Member as appropriate on matters relating to the Policy Commitments adopted by Council within any portfolio.
- 2) To advise and support the work of the Cabinet and the Council as a whole advising the relevant Cabinet Member on potential changes to Policy and the delivery of major service change and alignment with the direction in Sustainable Swansea - Fit for the Future.

Notes:

- i) Cabinet Advisory Committees are NOT decision making bodies.
- ii) Cabinet Advisory Committees shall NOT be chaired by a Cabinet Member.
- iii) Cabinet Advisory Committees may co-opt others on to the Committee either for a topic or for a term if the Committee consider that will assist their advisory role.
- iv) Cabinet Advisory Committees may convene joint meetings between them as is, in the view of each Committee, necessary so as to best coordinate their work and inform their deliberations.
- v) Cabinet Advisory Committees shall adopt methods of working which, in the discretion of the Chair, will best inform their advisory role. Those methods of working shall include, but are not limited to, holding enquiries, going on site visits, conducting public surveys, holding public meetings, commissioning research, hearing from witnesses and appointing advisors and assessors.
- vi) Cabinet Advisory Committees will be attended by relevant Officers in their role of supporting the Cabinet Member in their presentation of papers to Committee in order to emphasise the Cabinet Member's lead role.

Role Description - Chairs of Cabinet Advisory Committee

1. Accountabilities

- a) To the Leader of the Council;
- b) To Cabinet;
- c) To Council.

2. Role Purpose and Activity

2.1 Providing Portfolio Guidance and Assistance to the Cabinet Member

- a) To assist the Cabinet Member in giving political leadership in relation to Cabinet portfolios;
- b) To provide support to Cabinet Members in the implementation and delivery of portfolio policies and change and alignment with the direction in Sustainable Swansea - Fit for the Future;
- c) To liaise and work closely with the Chair of the Scrutiny Programme Committee and the Scrutiny Inquiry Panel Conveners and to comment on reports as necessary.

2.2 Contributing to the setting of the Strategic Agenda and Work Programme for the portfolio

- a) To work with the Cabinet to formulate policy development both strategic and statutory. Subject to the Cabinet Member having the final say, ensuring that the political will of the majority is carried to and through Cabinet;
- b) To provide assistance in working up and carrying through a strategic work programme both political and statutory. Make sure that the portfolio's forward work programme is kept up to date and accurate.

2.3 Providing representation for the Portfolio

- a) To fully support the Cabinet Member when they have to provide a strong, competent and persuasive figure to represent the portfolio. Be a figurehead in meetings with stakeholders.

2.4 Reporting and Accounting

- a) To report as appropriate to the Leader of the Council, Council, Cabinet, Chair of the Scrutiny Programme Committee, regulatory bodies and the media;
- b) To appear with the Cabinet Member if necessary before the Scrutiny Programme Committee in respect of matters within the portfolio.

Role Description - Chairs of Cabinet Advisory Committee Cont'd

2.5 Taking an active part in Cabinet meetings and Decision Making

- a) To show an interest in and support for the portfolio of others;
- b) To recognise and contribute to issues which cut across portfolios or are issues of collective responsibility.

2.6 Leading Partnerships and Community Leadership

- a) To assist the Cabinet Member in giving leadership to local strategic partnerships and local partners in the pursuit of common aims and priorities;
- b) To negotiate and broker in cases of differing priorities and disagreement;
- c) To provide community leadership and active citizenship by showing vision and foresight.

2.7 Internal Governance, Ethical Standards and Relationships

- a) To promote and support good governance of the Council and its affairs;
- b) To promote and support open and transparent government;
- c) To support, and adhere to respectful, appropriate and effective relationships with employees of the Council;
- d) To adhere to the Member's Code of Conduct, Member / Officer Protocol and the highest standards of behaviour in public office.

2.8 Providing leadership and direction

- a) To provide confident and effective management of meetings to facilitate inclusively, participation and clear decision making;
- b) To demonstrate integrity and impartiality in decision making which accord with legal, constitutional and policy requirements;
- c) To communicate on behalf of the Leader of the Council and Cabinet on Council Strategies, Policies, Services and Procedures.

3. Values

3.1 To be committed to the values of the Council and the following values in public office:

- a) Working Together;
- b) Innovation;
- c) People Focussed.

Appendix C

Member Champions

Member Champion Area	Responsible Councillor
Armed Forces	June E Burtonshaw
Biodiversity	Mark C Child
Carers	Paulette B Smith
Children and Young People (Lead Member for Children and Young People's Services – As defined by the Children Act 2004)	Christine Richards
Councillor Support and Development	Erika T Kirchner
Disabled People	Paul Lloyd
Domestic Abuse	Erika T Kirchner
Gender, Gender Reassignment and Sexual Orientation	John C Bayliss
Health and Wellbeing	Jane E C Harris
Healthy Cities	Mark C Child
Language (including Welsh)	Paul M Meara
Older People	Jan P Curtice
Race, Religion, Belief and Heritage	Yvonne V Jardine

Report of the Head of Democratic Services

Council - 30 September 2014

DISPENSATION FOR COUNCILLOR LEAVE OF ABSENCE – COUNCILLOR W J F DAVIES

Purpose:	To seek dispensation in accordance with Section 85 of the Local Government Act 1972.
Policy Framework:	None.
Reason for Decision:	To comply with the Local Government Act 1972.
Consultation:	Legal and Finance.
Recommendation:	It is recommended that: 1) Councillor W J F Davies be granted dispensation not to attend meetings for the period up to 1 June 2015 in accordance with Section 85 of the Local Government Act 1972.
Report Author:	Huw Evans
Legal Officer:	Patrick Arran
Finance Officer:	Carl Billingsley
Access to Services Officer:	N/A

1. Introduction

- 1.1 Councillor W J F Davies has notified the Authority that due to illness he may be absent from Council meetings for some time. This could result in him being in breach of the Local Government Act 1972 whereby failure to attend meetings of the Authority for a period of 6 consecutive months could result in him ceasing to be a member of the Authority.
- 1.2 In accordance with Section 85 of the Local Government Act 1972, Council at its meetings on 24 September 2013 and 18 February 2014, granted Councillor W J F Davies dispensation not to attend meetings. The latest dispensation covers the period up to 1 October 2014.
- 1.3 Councillor W J F Davies has requested that this period be extended to 1 June 2015.

2. Dispensation

- 2.1 Such cessation would not however, apply if the Authority approves the reason before the expiry of the period of six months since his last attendance. Councillor W J F Davies last attended a meeting on 8 August 2013. The last meeting attended being the Local Authority (LA) Governor Panel.
- 2.2 Section 85 of the Local Government Act 1972 - "Vacation of Office by failure to attend Meetings" - allows an Authority to grant dispensation for such absence providing the dispensation is granted before the 6 month period of absence has expired. Dispensation is therefore sought from Council.

3. Electoral Division Duties

- 3.1 Councillor W J F Davies' Electoral Division duties will be undertaken by his Murrison Electoral Division colleagues.

4. Financial Implications

- 4.1 None.

5. Legal Implications

- 5.1 None.

Background papers: None

Appendices: None.

CITY & COUNTY OF SWANSEA

DINAS A SIR ABERTAWE

Director of Social Services



ANNUAL REPORT



**Chief Social Services Officer:
Deborah Driffield**



Reviewed 16 September 2014
Ref. SSD / v6



City and County of Swansea

Director of Social Services Annual Report to Council 2013 / 2014 v5

Contents

Section	Responsible Officer(s)	Page
Section 1 Foreword	Chief Social Services Officer	2
Section 2 Context, including Budget Summary, Western Bay	Chief Social Services Officer; Chief Accountant; Principal Budget Officer	7
Section 3 What citizens are telling us	Performance & Improvement Officer	12
Section 4 Adult Services	Head of Adult Services	15
Section 5 Child and Family Services	Head of Child and Family Services	29
Section 6 Focus on Communities	Principal Officer - Supporting People	39
Section 7 Business Support and Improvement	Principal Officer - Supporting People	41
Section 8 Improving our Workforce	Chief Social Services Officer, Principal Officer- Staff Development & Training.	46
Section 9 Key Challenges and Priorities in 2013/14	Directorate Management Team	48
Appendices: Activity Tables and Performance Results	Performance & Improvement Officer	50

Section 1 Foreword by Chief Social Services Officer

This is the fifth Annual Council Report of the Director of Social Services (2013/2014), and my first as Chief Social Services Officer in City and County of Swansea.

Through the Social Services and Wellbeing (Wales) Act, the Welsh Government is redefining the purpose and core objectives of Social Services. This ground-breaking legislation places the enhancing of people's wellbeing, as a core duty of the Local Authority. In Swansea, we are well placed to adapt to these changes, building on the successful change programmes, which have been in place for the last 4 years:

- Transformation of Adult Social Services - TASS
- Child and Family Services Improvement
- Western Bay Regional Health and Social Care programme
- Supporting People programme

Many people are still feeling the impact, of economic recession, with welfare reforms and budget pressures within public services looking set to continue for at least the next few financial years.

To address these financial pressures alongside increased demand for services, both in terms of quantity and quality, Swansea has been, for the last few years, working towards a more sustainable model of social care, a model that can support citizens by:

- Placing a greater emphasis on prevention and wellbeing;
- Providing easier access to information, advice and the right assistance when needed
- Helping and more directly, through self assessment or a more flexible social worker assessment, which is focused on each person's strengths as well as needs
- Creating approaches to helping people build their own support plans, with solutions that may involve family networks and communities
- Joining up health and social care service through a range of community based services that can help prevent or delay a person stay in hospital or residential care
- Supporting carers and families, we can assist in ensuring their relatives remain safe and supported in their own homes, and within their own communities
- Ensuring citizens have choice and control over the outcomes they want, and the support they need to achieve them.

We will continue to promote better outcomes for children and families in Swansea by implementing a 5 year Safe Looked After Children (LAC) Prevention strategy, and by Transforming Adult Social Services to support people towards independence.

Within this report, we will highlight what progress we have made against expectations set by our service users and carers, our staff, our inspectors, auditors, scrutiny panels, the corporate Executive Board and the social services management team.

As the Statutory Director of Social Services, and as part of this Annual Report, I have a duty to reflect on how well we are delivering high quality, effective social care on behalf of the citizens of Swansea.

Positives

- We are reclaiming social work, by spending less time on completing assessments, and offering more of our time working directly with children, families and vulnerable people
- We can show we are achieving a positive impact in the lives of people we work with, through stories of achievement
- We are successfully applying signs of safety in Child and Family Services and Person Centred Thinking in Adults- these are whole service approaches that drive up improvements.
- Swansea has received considerable national interest in how well we are implementing signs of safety and solutions thinking approaches in all areas of child and family services
- Through skilled interventions, Social Workers are building on what already works for individuals and families, as the starting point for a more targeted support plan
- We have successfully put in place the new regional Safeguarding Children and Adults Boards. A recent event to launch the Western Bay Safeguarding Adults Boards was opened by Social Services Minister Gwenda Thomas, and engaged an audience of over 400 people
- In Child and Family Services there is strong evidence of some exceptional work by social workers and within teams, reflected in the overall improvement journey and the latest performance results
- Adult Services are transforming toward a sustainable model is starting to make progress, as seen in changes to the range of high quality services that can change the balance of care: already fewer people are needing residential forms of care.

- Adult Services has established strong foundations for this new social care model, with a range of alternatives to residential provision, including integrated working. The service also has a track record in successful commissioning for outcomes, such as Swansea Carers Centre, and Closer to Home.
- My personal highlights this year have been to attend the various workshops and conferences where citizens have shared their personal experiences of how social services have supported them to lead the lives they have chosen.
- Social Services were successful in achieving the budget targets set for last year, and Child and Family Services, through the Safe LAC Reduction strategy has managed, for the first time in a number of years, to lower the level of expenditure, whilst maintaining or increasing positive outcomes for children.
- Exceptional performance against targets, with Child and Family achieving their best ever set of result, and achieving improvements in 29 out of 41 indicators, and Adult Services reporting progress or consistency in most key indicators. Our focus this year will be on those measures where improvement is needed.
- Complaints in Swansea are currently managed by a dedicated corporate team, with only 10% of social services related cases proceeding to Stage 2 and beyond. A significant number of complaints are related to funding and service availability issues, and there is potential for dissatisfaction about future service changes amongst citizens, current service users and carers,
- CSSIW conducted a national review of commissioning in adult social care, and the overall report for Swansea was extremely positive with some best practice examples, such as the impact of Swansea's team of Community Connectors and our commissioning relationship with Swansea Carer's Centre
- There was also a national review of Safeguarding and Care Planning of looked after children and care leavers who exhibit 'risky behaviours'. The review highlighted lots of positives as well as some areas for improvement

Challenges

- Making sure the voice of individuals, families and communities are at the centre of the care and support they receive, and at the forefront of all decisions that impact on their lives
- Delivering a whole system change to promote support that is focused on strengths and achieving positive outcomes

- Deliver on the budget savings and efficiencies, which have to be realised across the Council to ensure that our services are sustainable for the future
- Improving the skills and capacity of the social care workforce to achieve the professional standards required to deliver high quality and person-centred social services.
- Having the resources available to deliver on the requirements of the new Social Services and Wellbeing (Wales) Act.
- Ensuring that the changes we have made to our safeguarding arrangements continue to be robust and resilient
- Maintaining good performance with diminishing resources

Opportunities

- Swansea's social care workforce, and managers are being trained and develop to improve their practice skills and they are motivated to achieve the best they can, with the resources we have, for the people we serve.
- We can continue to build on exciting new approaches to prevention and early intervention, for example our team of Community Connectors is already demonstrating an impact through their work across five health networks.
- We aim to be the first Local Authority to use the signs of safety approach in Adult Social Care, building on how well the person centred planning approach is shaping our services.
- We are working on a new strategy for safe prevention, aimed at helping older people to remain independent, to feel safe and to help tackle loneliness and social isolation.
- New approaches are needed to tackle the increasing demands for social care, and through Local Area Coordination, a preventative approach that pulls together community resources, and Adult Family Group Conferencing in which families are supported to develop strategies, and to build the resilience, that can see them through a crisis in their caring relationships, perhaps towards an elderly relative or disabled child.
- We expect to improve how we support a transition to adulthood for children looked after who are leaving care, and for those young people with complex needs.

- In Adult Services, there is to be a period of further change ahead, as we move towards integration with Health partners, such as a new single point of access, and 3 new network team which can offer citizens a simpler, more seamless way to access local health and social care services.
- The corporate budget consultation exercise as part of 'Sustainable Swansea -fit for purpose' showed just how much passion, feeling and commitment there is to finding the right solution going forward, and we are looking at ways to involve as many people in the changes as possible.
- Within Child and Family, we have had a review of looked after children at risk, and this brings more into focus some of the wider social issues such as child sexual exploitation, human trafficking, substance misuse, domestic abuse and the multigenerational impact of poor parenting. These are all themes which are being picked up via the newly created corporate safeguarding group and the regional Safeguarding Boards.

Learning the Lessons

To continue to share good practice and develop innovative services that are sustainable and citizen centred via the Western Bay Health and Social Care Regional programme.

My overall judgement is that Social Services in Swansea provides high quality and effective services with strong corporate and political support. However to continue to meet the future challenges outlined in this report, there will need to be an acknowledgement that we cannot continue to do things in the same way and that we will need to reconsider how we intend to meet the needs of the citizens of Swansea in a very different way in the future.

Section 2 Context

Swansea's population now stands at around 239,600 following eleven consecutive years of growth since 2001, and is expected to grow by 13% to 2036, particularly in the older age groups. The number of households in Swansea has also increased by around 9,000 (+10%) between 2001 and 2011, with the largest growth in single-person households. Demand for, and expectations of, social care has increased rapidly and this trend is going to continue. Of this population, Swansea Council's provided or commissioned social care support to nearly 10,000 adults and children last year. With around 6,500 adults supported, and over 3,000 children in need worked with during the year.

Swansea has been hit hard by the recession, with economic activity and employment rates in Swansea below the equivalent Wales and UK figures. Unemployment rates (survey-based) in Swansea are above Wales and UK rates. Swansea also has a large proportion of low skilled / low paid, service sector jobs, or jobs at risk within the public sector. Over 6% of Swansea's population, around 14,300 people, are from a non-white ethnic group (2011 Census). Around 11% of the total Swansea population class themselves as Welsh speaking.

Although over the last ten year period, life expectancy in Swansea has increased by around 2 years for both males and females, Swansea has some of the most deprived areas in Wales, in Townhill, Penderry and Castle wards in the Bottom 10%. Health and wellbeing outcomes are significantly worse in the more deprived areas of Swansea, with large variance in healthy life expectancy – a gap of nearly 23 years for males and 15 years for females.

A key aim of the **One Swansea Plan 2013** is to ensure that people are healthy, safe and independent. As well as contributing to significantly reducing the difference in premature mortality rates and the closing of a life expectancy gap between the most and least deprived communities, Social Services has a key contribution in making a better balance between residential / nursing and community-based care for older people.

Achieving a sustainable model of social care is a key area of focus for the Council to meet future demand and still work to achieve the best outcomes, and this is the focus of **Sustainable Swansea- fit for the future**, our corporate transformation programme, which has 4 delivery strands to look at:

- Prevention
- New Models of Delivery
- Efficiency
- Stopping Services.

Swansea Social Services also has two transformation programmes to support the implementation of Social Services and Well- Being (Wales) Act.

These are:

Child and Family Services Improvement programme, which has a 5 year Safe Looked After Children Reduction Strategy driving whole system change in areas of wellbeing, Supported Care Planning, Permanence and Safeguarding / Performance / Quality.

Transformation of Adult Social Services (TASS) has three pillars of change looking at Prevention, New Operating Model and Reshaping / Remodelling Services.

Summary of Budget Position 2014 / 2015

The Authority continues to face financial challenges. Social Services, along with other Directorates are committed to meeting these challenges by delivering on budget savings targets, whilst ensuring there is protection of the most vulnerable people.

The overall aim as set out in the Medium Term Financial Plan is to achieve a sustainable financial position, and this will require effective delivery of specific actions set out in the service business plans to realise the Adult **Swansea To Be Model** (p14,) and targets within the Safe LAC Reduction strategy. These targets will be achieved by the successful management of change projects and corporate projects / initiatives in support of *Sustainable Swansea – Fit for the Future*.

Directorate

Social Services were successful in achieving the budget targets set for last year, and with Child and Family Services there has been excellent progress, supported by strong management and skilled practice, in showing a lower final expenditure than in the previous year. Child and Family Services has a 5 year Safe LAC reduction strategy, and this sustainable approach has the confidence of the Council, who have shown their commitment to keeping children safe in a harsh economic climate, by allocating a service budget to reflect last year's spend.

Social Services is required to contribute to the current Authority target of **£45million** savings over 3 years, and put forward proposals to achieve £3.38m in service savings in 2014/15. There are additional savings to be made by reducing staff numbers, and changes in management and business support structures. Overall Social Services is expecting to face many challenges and tough decisions in the years to come.

In 2013/14 there was a Directorate overspend of £1.7m (£6.98m last year) as shown in table below.

Social Services	2014 / 2015 Budget £000s	2013 / 2014 Budget £000s	2012 / 2013 Budget £000s
Directorate	104,726	105,463	98,164
Child and Family Services	39,160	37,508 Less Transfers ¹	35,730 Less Legal costs
Adult Services	60,416	61,433	58,018
Net Overspend /Total	- (Projected)	-200	325

Social Services

The resources made available to Social Services for 2014/15, in the form of the approved budget, are shown in the table above.

Major areas of budget pressure in 2013 / 2014

Domiciliary Care - Older People due to demand pressures.

Funding placements for adults with complex needs, drop in CHC income from the NHS.

Direct Payments - more people receiving.

Out of Area Placements for Looked After Children.

Foster Swansea.

Budget areas where successful actions have been taken:

Overall expenditure budget for Older People

Residential-Older People (External) spend down

Expenditure Child and Family Services down

Social Services has been successful in meeting outcomes set within the 3 year Outcome Agreement - person centred dementia care, and helping to achieve performance results that enabled full payment to the Authority of the Welsh Government funding.

Budget Savings areas requiring action for 2014 / 2015 (£3.38m)

Aftercare / Transition to Adulthood

External Family Support Services

Youth Offending Service

Change skill mix of staff providing services

Social Services transport efficiencies

¹ Cost centres transfers to Flying Start

Contract changes and cost-effective commissioning, support to carers & supporting people

Central management & admin.

Talking Books (Special Projects)

Older People Day Services = deferred for one year pending Older People Services – Independent Review

Develop Independent Living by reinvesting money from closure of three Older People Residential Care Homes = deferred for one year pending Older People Services – Independent Review

Learning Disability Day Services- seeking alternative model

Increased supported living and reduced residential care for people with Mental Health needs and Learning Disabilities

There are further Budget savings in some of these areas expected in 2016 / 2017 and 2017 / 2018, depending on the next budget review process.

Some Budget Risk Areas 2014 / 2015

- i. Child and Family external placements:
- ii. Deprivation of Liberty Standards-increase in requests for assessment following Cheshire West² judgement
- iii. Domiciliary Care related issues
- IV. Other Cost pressures:
 - Pressure around Delayed Transfer of Care
 - External Provider future viability
 - Labour market changes
 - Mental Health S117 legal challenges
 - Increasing numbers of placements for people with complex needs

Medium Term Financial Plan (MFTP) 2014 / 2015

Swansea's latest MFTP acknowledges the demographic challenge presenting itself through an increasingly older population and greater demand pressures. The funding decisions of the UK government are likely to contribute to the challenge and strengthen the drive to achieve a sustainable model of social care. A more sustainable model supports people to remain at home, while encouraging self-help to enhance wellbeing and the development of stronger community networks with third sector involvement.

² Cheshire West refers to Supreme Court judgement in March 2014, which redefines deprivation of liberty and how these standards in social care apply to vulnerable adults.

As previously, the aim going forward is to achieve a further improvement in standards whilst simultaneously achieving cost reductions where possible. Within Child and Family Services the latter can only be achieved by a real terms reduction in numbers of Looked After Children, changes in practice and less reliance on high cost interventions.

Western Bay Health and Social Care Programme

As off 2012 the Western Bay Health and Social Care Programme, a collaborative programme bringing together the City and County of Swansea, Neath Port Talbot County Borough Council, Bridgend County Borough Council and the Abertawe Bro Morgannwg University Health Board was established. During 2013 / 2014 the programme continued to make progress.

The main priorities for the WBHSC Programme in 2013 / 2014 were:

- to test and review the case for collaborative working through the development of joint business cases and reviews,
- to establish the required systems and support mechanisms to facilitate the efficient running of the Western Bay Programme
- to review the governance of the programme.

The Western Bay programme has a number of project work streams including:

- Children Services - Adoption,
- Adult Learning Disability Services,
- Adult Mental Health,
- Community Services (Older People),
- Contracting and Procurement Services, a cross-cutting project.

There are also several other work streams alongside the main transformation programme, involving the same partner agencies; these include:

- Integrated Family Support Services,
- Safeguarding for Adults and Children,
- Supporting People,
- Substance Misuse.

The City and County of Swansea is the host organisation for the Programme, providing programme management and the financial lead on behalf of the partners in relation to Welsh Government grant funding to support regional working. Joint working with neighbouring Authorities and Health should lead to better outcomes for citizens through the sharing of best practice, better use of resources and delivering savings, improved commissioning of specialist services and innovative practice.

Section 3 What are Swansea's citizens are telling us?

People are telling us that they recognise the need for more sustainable services, yet they also demand high quality, accessible services for themselves and the relatives they care for. We have been building greater community involvement through the excellent work of a team of Community Connectors, which has been both evaluated and proposed nationally as a model of best practice.

To meet Swansea Council's budget shortfall of at least £45 over the next three years, Social Services had to contribute a large number of savings proposals, nearly all of which were accepted, pending consultation. Simultaneously Child and Family Services is required to ensure that the budget position is both stable and sustainable.

Swansea has already undertaken a range of initiatives to ensure the sustainability of social services for older people in the future and to comply with the Sustainable Social Care in Wales framework, these include the Western Bay Regional Health and Social Care Programme and the Transforming Adult Social Services (TASS) programme. Overall the national policy direction broadly supports a rebalancing of service provision away from residential care and towards intermediate and domiciliary care, enabling people to remain independent and living in their own homes for longer; through greater joint working and integration to improve care and support pathways and outcomes for older people, as well as community initiatives to promote wellbeing and reduce social isolation for older people in Swansea.

These savings proposals do fit with the strategic intent of the Transforming Adult Social Services (TASS) programme, where the closure of adult residential care homes and day centres could help release resources to support more people towards independence in their own homes. Across all survey responses, and of nearly 200 citizens who attended consultation meetings on social care, the vast majority were against any proposal which would result in the closure of care homes or day centres. People spoke emotively about how important social care support is to their lives, and to themselves as carers and how much they needed and relied on services.

We have taken on board the comments, and the shared request that citizen and community groups are kept involved in the changes we intend to make. Cabinet decided in response to broaden out the stakeholder involvement, by commissioning an Independent Review of Older People's Services in Swansea. Following a tendering exercise, this review is due to start in July 2014, and to report back to Cabinet in Autumn 2014.

We hope to extend this work within a regional Local Area Coordination project, and the development of a prevention strategy, supported by the Corporate Director of People, and a new Council service area, Poverty and Prevention.

Around 130 people, including over 40 carers, attended Swansea's Carers Rights Day 2013 event at the Liberty Stadium. The theme of the event was 'making life fairer for carers' and the day as a whole was very successful – 'informative', 'excellent', 'emotional' and 'positive' were comments that appeared over and again in feedback.

Over the year, we have engaged with new initiatives to give the community voice, choice and control, e.g.

Swansea' Carers Centre 'Dyma Ni' project - aimed at supporting parent carers of young people age 14 – 25 with a disability or illness and carers' own transition

Join in project

Did you know? Swansea held their sixth annual Achievement Awards at the Taliesin Centre, and this year over 150 looked after children attended, with families, carers and staff in attendance to celebrate their successes, and to participate in stage performances.

Participation work in Child and Family Services is extending beyond children looked after, to cover all Children in need, and by locating this function within the Service Quality Unit there will be a direct link to improvement.

More commissioning is taking place using coproduction as the guiding principle, ensuring that all those likely to experience an impact (older people, families, carers, service providers) are involved in the design, delivery and service management. At the same time, we are exploring ways in which people's experiences of adult safeguarding can be used to support our lessons learned approach.

An Equality Impact Assessment (EIA) is a tool for assessing and consulting on the likely effect of the way the Council does its business for different groups of people. Swansea completed EIAs on each of the budget saving proposals this year, and as a result of a budget strategy consultation with citizens and staff, Cabinet took a decision to postpone the changes to Residential Care and Day Services to Older People, and to commission an Independent Review.

A review steering group was set up, chaired by the Cabinet Member for Wellbeing, with citizens and provider representatives, to oversee the selection of the independent reviewing body. Once selected, the reviewers are being asked to look at the current range of services available to older people in Swansea, and to engage a wider group of citizens and stakeholders in looking to recommend a future model for older people based on likely demand for social care demand, and the resources available. A report will to be put forward to Cabinet in Autumn 2014.

Citizen Voice

- The Supporting People Programme has at its heart citizen empowerment and its focus is to develop the maximum potential of individuals to take control of their lives.
- The Supporting People grant is administered locally by Social Services and its conditions require citizens to influence front line service delivery and strategic commissioning.
- The Join In Service User Involvement Framework for Supporting People and Homelessness Services sets a Charter of Rights and Minimum Standards. This sets out the **expectations** that services should follow and the **standards** that citizens should expect from that service.
- There is an annual citizen consultation event focussed on strategic issues and regular Community Groups focused on more operational/service delivery issues.
- Citizens have been supported to acquire skills to attend strategic meetings and assist the Department in contract evaluations of SPPG funded contracts as peer reviewers

What has changed as a result of the citizen voice:

The **quality of services** has improved by:

- Commissioners have a better understanding of the needs of citizens, what matters to them the most and how change can happen in a meaningful way.
- Citizens have contributed new ideas about the way that services can be provided including the use of technology, peer support, use of volunteers, where and how support could be provided.
- Citizens have assisted in developing better understanding about the difficulties they face in accessing services
- Service managers and commissioners are better able to challenge their own service and make changes based on what people have said

Section 4 Adult Services

Over the previous 12 months Adult Services has concentrated on improving outcomes for people and families that use our services. In focusing on outcomes, building on our shared values and core principle of giving greater voice, choice and control to Service Users and citizens, we have been taking forward a transformation agenda.

Our key objective, as always, is to ensure that vulnerable adults in Swansea are safe, well and they are supported effectively to remain independent, for as long as possible in their own home. To achieve this we set out to place each person at the centre of their own support planning, and to ensure they receive the right support delivered by teams of well trained, committed Social Workers and high quality services.

Our transformation agenda has focused on 3 priorities within the TASS agenda are:

- (a) Redesigning our operating model to one that is flexible and proportionate in response to people's needs, and that is focused on achieving the outcomes people define for themselves.
- (b) Reshaping and remodelling our service delivery to become more flexible and responsive in supporting people achieve their outcomes, and greater independence, and to be better value for public money
- (c) Building community capacity to provide the support and care people need, within family, social and peer groups, by linking citizens into local resources and by working closely with the third sector.

This annual report will show that Adult Services in Swansea are, through their established change programmes, well placed to meet the challenges of the Social Services and Wellbeing (Wales) Act. There are some excellent examples of service redesign and innovation, such as dementia care at Ty Waunarlwydd, people with complex needs met at Bonymaen House, development of Assessment Beds, Step Up- Step Down Beds, the Integrated Gower Team, and continued investment in reablement services.

Around 60% of Swansea's adult social care measures, have improved or stayed the same, with most close to Wales average.

<http://www.mylocalcouncil.info/>

Yet there still remains work to do in achieving quality services across the whole of adult social care. This can only be achieved if we pool our resources, with partners, regionally and the across health and social care system.

In this report, there will be evidence of how well we are collaborating within the regional footprint called Western Bay to deliver on a Regional Health and

Social Care Programme, with examples where we are working with ABMU Health Board colleagues, to deliver on a Local Integration Plan and also achieving closer cooperation across council services, working in partnership with the 3rd sector and building stronger links into Swansea's network of local communities.

Summary of Achievements in 2013 / 2014

- Improving access to public information, advice and support through additional capacity at Intake to manage hospital, and safeguarding enquiries, and the development of Social Services web pages to support service transformation.
- Fewer people are experiencing delays in their discharge from hospital due to delays in receiving home care.
- Continuing to develop new, and integrated reablement opportunities, as well as residential assessment beds to help people remain in, or return to, their own homes.
- We continue to ensure more people are having their care plans reviewed.
- There have been reductions in the number of older people placed in residential care, and in the period of time people remain in long term residential / nursing care. These reductions contribute to improving the overall balance of care.
- Improvements to commissioning of services closer to home, and through availability of supported living for adults with complex needs.
- Carers are being offered an assessment of need in their own right, and can access a range of support services.
- Following process changes to ensure Safeguarding Adults is 'everybody's business', we remain effective in managing risk.
- Collaboration and integrated working across local, regional and national partnerships.

Wellbeing and Prevention - people are supported to remain healthy, safe and independent

We seek to place the citizen at the centre of everything we do, by building on their strengths, capacities and skills to best manage their own care, safety and support. The corporate Sustainable Swansea programme supports a shared focus on wellbeing and prevention, and that promoting these as community and personal outcomes, is best managed as "everybody's business". Our Intake Team, currently based at the Civic Centre, helping us manage demand for social care more effectively. They undertake a simple assessment; listening to the outcomes people want to achieve, helping the person to find solutions and access suitable support within their community and through universal services. Where people need the help of a social worker, where there are safeguarding concerns, or a specialist assessment is required, the intake team refer on to the social work teams. Collaboration with

health partners, and the development of a single point of access will enable people to access community, health and social care services through our front door in the future.

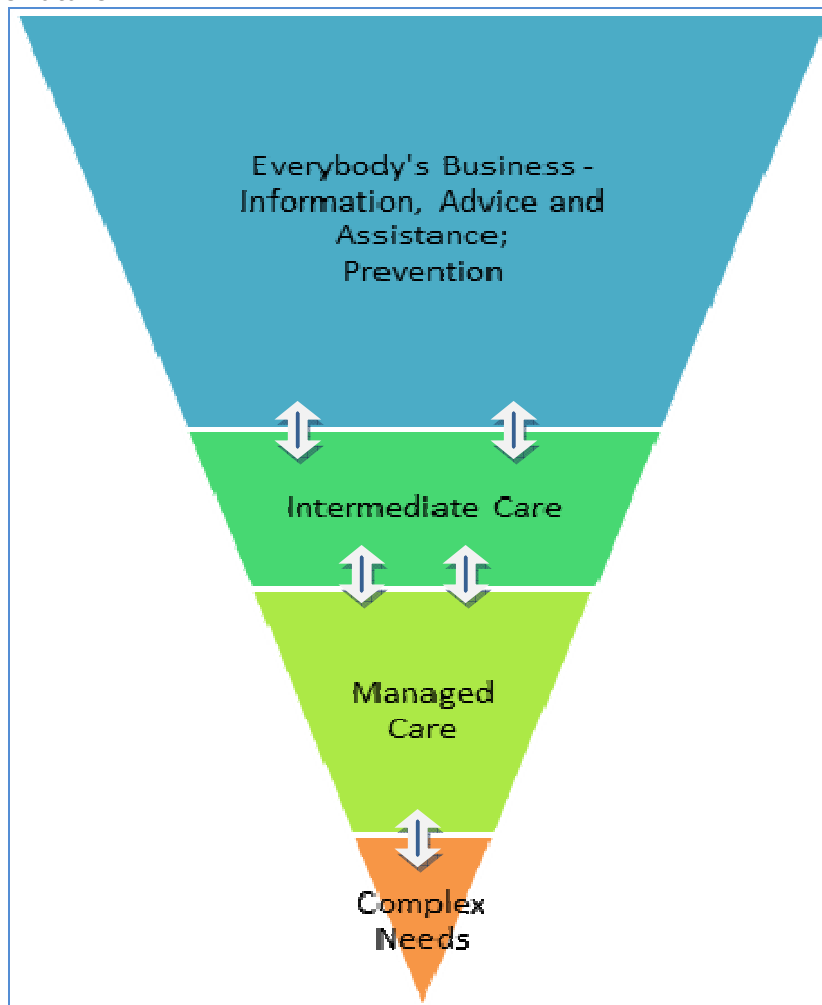


Figure 1 Swansea To be Model

How well are we doing?

Swansea's approach has already been successful in reducing the number of contacts we receive which require a formal social work assessment. With the service dealing with around 2000 contacts a month, it is important to recognise that most people, about two thirds, can be helped by being given up- to-date information, some specific advice on their needs, or by being directed to a source of support. Currently only a third of people who make contact, require some form of specialist or social work assessment to access the help they need.

All contacts are recorded onto the PARIS information system and in September 2013 a new assessment was implemented, which is briefer and focuses more on holding a conversation to accurately determine what the citizen expects as outcomes. We have also designed a new Integrated Assessment form with health colleagues to meet national guidance, with plans for training and implementation well underway.

A simple bulletin-board system is used by Intake Team to keep their local knowledge up-to-date about services, welfare benefits, available resources, and service capacity, and basic public information is directly accessible through a redeveloped City and County of Swansea website. The redesigned Social Services web presence has already been singled out for praise by SOCITM in 2013.

How do we know we are doing well?

We now regard safeguarding vulnerable adults, in the same way as child protection, wellbeing and prevention, best managed as “everybody’s business”. Since September 2013 all safeguarding enquiries are received by our Intake Team, and, where a concern is raised this is directed to the most suitable specialist team, so that they make a timely and joint decision on whether there are significant risks faced by a vulnerable adult. Once a decision is made, prompt action is taken and, where necessary, further investigations are conducted.

We have improved how well risk is being managed (93% of all cases, last year 92%), and evaluating whether there are still further improvements possible.

We were asked to: consider Swansea’s approach to the preventative agenda, and how we can improve the uptake of carers’ assessments.

There have been improvements in our services to Carers, with more take up by Carers of the offer of an assessment, and through our positive commissioning relationship with Swansea Carers Centre and other Carers support services. There are corporate plans to develop our public website. These changes seek to highlight the range of poverty and preventative interventions available to help people, such as community connectors, social inclusion unit; alongside some new initiatives, e.g. Local Area Coordination, Adult Family Group Conferencing and volunteering and befriending schemes available through third sector.

A corporate Sustainable Swansea programme has been launched, which includes a Prevention and Early Interventions workstreams to coordinate the Council’s efforts in these areas.

We will continue to improve by:

- developing a single point of access to up-to-date information, advice and assistance for citizens, carers and partners. This will help people decide on the right level of support they need to promote their wellbeing
- working together, with the vulnerable adult at the centre, to achieve the best possible outcomes and to manage risk effectively

Integrated Services – working jointly with health to improve how we support people to remain at home

Swansea's approach is to see health and social care as a whole system, which people who may need help or support should find it easy to access, regardless of which service may be needed, in order to enhance their overall wellbeing. As more people are living longer, there is evidence, that these additional years are not always be healthy years. As well as planning preventative services to help people remain healthier for longer, we are anticipating that demand for health and social care is likely to be most acute among the frail, very elderly (aged 80+), as well as for younger adults with significant, complex needs.

At the same time there are inequalities in life expectancy and experience across the City and County of Swansea, as a range of factors can affect people's wellbeing, such as poverty, housing, proximity to services, can affect people's wellbeing. The Authority now has two Directorates People and Place which, in support of the Council's policy commitment, are focused on targeting resources in a more joined up, sustainable way.

Story: **Mr H.J** was leading an independent life until one day last year when he had a stroke which affected his independence and speech, leading him to suffer from anxiety and depression. He wished to keep his independence, and we established his views through a best interests process. We supported his wish to be rehoused. **Outcome:** A combination of reablement, family interventions, privately arranged support and some support from Social Services has enabled Mr H.J to settle very well in a new flat.

Within this approach, Adult Services has actively developed a new operating model which is focusing on people's strengths, and the community and family resources that can be used to help them achieve the outcomes they wish.

How well are we doing?

Our development of an 'intermediate care' tier is aimed at ensuring reablement services are available to support a timely, safe and effective discharge from care in hospital that help people return to their own homes. We are continuing to work closely with partners in ABMU Health Board and with providers of domiciliary care so that we maintain, and improve the capacity and quality of services. A Joint Statement of Intent has been agreed to support the integration of health and social care, and the further development of Intermediate Care Tier services, funded through a successful joint Western Bay bid Intermediate Care fund.

Through the pilot Integrated Gower Domiciliary Care Team, we have successfully increased domiciliary provision in previously hard-to-reach areas. We are using the residential reablement service (RCAS) linked into the use of new Assessment Beds at Bonymaen House and Ty Waunarlwydd, and to the development of Gorseinon Community Hospital beds to support people with complex care who require a period of reablement before returning home.

Swansea is an active participant in the five Local Community Health networks, chaired by GPs or Primary Health care professionals, and we are actively working with our health partners to develop integrated community health and social care teams.

How do we know we are doing well?

Currently around **60%** of people receiving RCAS are returning home, instead of being admitted to long term residential care or hospital.

We are successfully managing delayed transfers of care. There was a slight increase in the rate (2.47), taken at a monthly census, compared to previous year (2.11). This translates to eight more people being delayed in hospital through the year. Of the 52 adults who were delayed in 2013 / 2014 for social care reasons, over two thirds relate to domiciliary care availability.

As part of Swansea's Integration Plan, there is programme governance in place to support the development of a Single Access Point, Integration of Care Homes Quality Team and further development of community networks to support integrated health and social care community teams.

We were asked to:

- Improve support for Carers and the response to the Carers Measure.

We have improved by continuing to promote direct access for carers, to a range of specialist help, which has been commissioned, through Swansea Carers Centre and other third sector organisations. Swansea has achieved positive feedback from CSSIW, in a recent national inspection of commissioning, for our relational approach to carers support services. We have improved the carers assessment process, to develop the conversational approach agreeing the support needed to help carers to continue to support relatives or friends.

We will continue to improve by...

We will continue to:

- Speed up access to health and social care support, through an intermediate care tier, to help people return home following a stay in hospital or to remain at home when they may be at risk of going into hospital or long term care
- Work together with Health on strengthening community networks, creating shared pathways and implementing an integrated assessment framework
- Looking at ways of preventing delayed transfers of care for social care reasons

- To ensure that there is support freely available within communities, to come to the help of people in adversity.

In order to improve support to older people in hard to reach areas, all requests for reablement services are going straight to the Integrated Gower Team, and this has eliminated waiting times.

Support Care Planning is centred on each person's strengths

Social Workers have for some time been required to act as gatekeepers to services, where limited resources are allocated according to need.

Swansea is implementing a new Operating Model, one that looks to reclaim social work as a valued social service in its own right. Social Workers and Managers have received additional professional training in coaching skills and person centred thinking, and given a set of tools, such as a new unified assessment.

We are expecting social workers to move away from a deficit model in which each assessment of need is focused on problems that people face and services, and that social work becomes a way of working with people to achieve independence. This can be achieved by:

- building on what is already working for the individual,
- acknowledging the strengths existing within themselves, their family and community,
- agreeing on the most important outcomes, as sometimes it is the small things that can make the biggest difference
- planning together, with the person and their carers, how best each outcome can be achieved.

Our ambition has to be to achieve the highest standards of health and social care support that can promote the continued independence of the people of Swansea.

How well are we doing?

We are continuing to support people to remain independent, and to stay in their own homes for as long as possible by adopting a reablement approach, within all directly provided social care services. We are anticipating a further reduction in the number of people being placed in long term residential care this year. We are increasing the number of direct payments being used to secure a range of support, and, as a partner in Western Bay, we are retendering for a provider to support citizens in self – managing their own care. This can help create additional capacity in community based support.

Mr A, aged 73, was of no fixed abode and living on the streets at the time of his admission to Cefn Coed Hospital in January 2013. His admission was triggered by his memory and mental state due to years of alcohol misuse, and concerns for his safety on the street.

Following a best interests meeting, Mr A was supported to access the homelessness gateway and adult mental health services who worked together to find a unique solution for supported accommodation.

Outcome: Mr A moved to a new home, where there is on-site support.

How do we know we are doing well?

Overall we are changing the balance of care in favour of shorter term, community based support, which helps people regain their independence and health. For younger adults, there is clear evidence of very high performance, and this has been achieved by the strong emphasis we place on a Supported Living model of care. This model enables people to live in their own homes, with a tenancy, and the necessary support to remain as independent as possible.

The increasing older population has had an impact on the overall rate of services provided, and at the same time there have been fewer deliveries and installations of smaller pieces of equipment during the year. This because the service now operates within a regional agreement to prioritise larger, specialist items to people with an assessed need.

Still over the course of the whole year, the SCA / 002a result 73.51 (last year 77.22) shows only 61 fewer older people receiving a community based service at the end of March. At the same time 32 fewer older people were placed in nursing and residential care, although this was outside the target level performance.

We almost maintained our performance on ensuring that people's care plans are reviewed (this year **81%** last year **83%**), in spite of changes in the operating model, community networks and "everybody's business" approach to safeguarding which are creating new demands of Social Workers.

We were asked to:

- Ensure adult safeguarding – practice, quality, audit and governance- is effective.
- Continue to progress outcome/recovery focused care planning in mental health

We have recently evaluated the changes to Adult Safeguarding. The changes have contributed to a better understanding of safeguarding issues and more equitable distribution of the tasks involved. Swansea is still generating a high number of safeguarding concerns, with an average of nearly 100 per month. Of these nearly 60%, currently meet the threshold of there being a significant threat or risk of abuse or harm, and this represents an increase from the 48%

reported prior to the changes. However there are signs that confidence is growing within the new model and there will be further improvements to be taken forward following the evaluation report. Designated lead managers meet as a group to ensure consistency of practice, and samples of decisions are considered by the Adult Services Management team. Swansea is part of Western Bay Safeguarding Board arrangements, and there is a Swansea Audit and Monitoring group which ensures continuous improvement across the local partnership.

The Mental Health Project within Western bay aims to respond to:

- the increase in demand for mental health services across the region,
- financial pressures and limited staffing resources
- a greater complexity of need alongside the need to manage prevention and wellbeing.

We have used the Regional Collaboration Fund grant funding to support the recovery model, as well as to consider options for a “Tier 0” service that can help promote or improve mental well-being of the broader local population. Whilst there is a need to improve individual and community resilience, promote timely and appropriate assistance and where possible alleviate mental health problems, there is now a recognition that Tier 0 services are broader than mental health services alone, and the future approach should support a whole system focus.

We will continue to improve by:

- Decommissioning and re-commissioning the range of preventative and reablement services to improve the wellbeing of the population
- Improving the professional skills of the social care workforce in working with individuals, families and communities to target their support and make a difference in peoples’ lives

Commissioning a range and quality of remodelled services to support people in achieving their outcomes

Swansea aims to deliver on the change agenda, by refocusing the Transformation of Adult Services (TASS) on the implementation of the new Social Services and Wellbeing (Wales) Act. This will involve developing joint commissioning plans with health, to develop the range of integrated services that are safe, sustainable, and responsive to individual needs. These remodelled services are supporting a new way of working, to deliver support which is focused on improving outcomes for adults. At the same time, we aim to ensure that the market deliver high quality services, as experienced by citizens and service users.

In order to meet the increase in future demand and changing expectations of adult social care, our approach is to respond by:

- Building individual and collective resilience by working with local communities to expand the available support to meet social care needs;
- Supporting strategic commissioning by ensuring there is multi-agency partnership working and joint planning in place;
- Working with partners, to revisit the range of commissioning plans that make best use our limited resources, to ensure we are cost effective in meeting the increasing demand and future- proofing social care for people in need.
- Set the right conditions for a health social care market that is fit for purpose in responding to more localised requirements, and to achieve better outcomes

How well are we doing?

Adult Services Commissioning Strategic Framework for 2011 - 2014 was drafted in December 2010 to support adult social care in working towards meeting the standards from *Fulfilled Lives, Supportive Communities*. This strategy sets out Swansea's vision for services to adults with social care needs over a 3 - 4 year period.

This framework, and individual commissioning plans for service areas, were drawn up using stakeholder reference groups and linked into service business plans by considering current and future activity, performance targets and the financial context. We also considered the national guidance and policy framework which helped to shape our commissioning priorities across all three pillars of the TASS programme. We have been successful in changing how our directly provided services are now focusing on assessment of complex needs, reablement, short term support, and intermediate tier.

How do we know we are doing well?

Progress against the '25 Priorities for Change', as set out within Adult Services Strategic Commissioning Framework (2011- 2014):

No	Commissioning Priority	What we have achieved / Evidence
1.	Range of outcome focused services, which can be purchased by individuals themselves or via the Local Authority.	Improved range of services directly provided and within social care market
2.	Services are flexible and responsive and will provide value for money	Focused on reablement, how experienced and person centred care
3.	Joint services to provide a rapid response	Development of intermediate care tier and pilot Integrated Gower Team
4.	Short term reablement services	Domiciliary and Residential Assessment Care Services (DCAS and RCAS) to help people return or remain supported at home
5.	Domiciliary care will be evaluated by success in meeting outcomes rather than time and task	Changes to service level agreements, contract monitoring and escalating concerns arrangements

6.	Assistive technology to help people to maintain control over their lives	Plans for service viability linked to direct access and charging policy, alongside extending Just Checking service to support RCAS and Carers
7.	Reshaping of day services	Plans for new models of delivery under consideration with service users and carers in support of budget savings targets
8.	Explore options to meet the future demand for accommodation with care and support	Alignment of Supporting People funding to help achieve supported living models Mental Health and Learning Disability placements
9.	Long term residential care will be commissioned where a positive choice;	Range of directly provided, specialist residential care sits alongside external residential care to be spot purchased, and as positive choice of individuals
10.	Locally available supported accommodation as tenancies	As eight, and through closer links with Housing.
11.	Capacity and variety in dementia care services.	Swansea plans to be dementia friendly place, and a dementia supportive organisation, with range of expert, specialist services, as highlighted through recent National Inspection.
12.	Sensory impairment services to meet current and future needs of service users.	Remodelled services now based at Swansea Vale Resource Centre, with more focus on coproduction
13.	Sharing of services across Adult Services as opposed to the service user grouping	Through TASS programme, and Western Bay Community Services
14.	Carers' services focusing on their needs	Commissioning relationship with Swansea Carers Centre, praised in National Inspection, and Carers Support Action Plan, supported by Carers Champion and Planning Officer (Carers)
15.	Workforce are skilled and supported to work differently across whole sectors	Workforce Development / Training plans to support sector, and whole service transformation e.g. coaching skills, person-centred planning and solutions focused thinking
16.	Assessment is a more proportionate response to people's needs	Remodelled unified assessment, Intake arrangements and design of Integrated Assessment
17.	People can construct their own packages of care where they wish	Supported Care planning model, and retendering of citizen support service
18.	Allocation of resources is transparent, and ensures equity	Fair access to care arrangements in place, and indicative care costs with PARIS
19.	Working in localities and in a more co-ordinated way with health partners	Support to five Health networks, and plans for integrated, network hubs (3)
20.	Information and advice covers support, services that can be commissioned independently	Extending roles and capacity of Intake, and plans for Single Point of Access
21.	Regional commissioning or procurement is pursued to deliver better outcomes	Through Western Bay Health and Social Care programme
22.	Stronger partnerships within the Local Authority and community	Through People, Place and Resources Directorates, and within Sustainable Swansea –fir for the future programme
23.	Take up of direct payments	Increase in number receiving direct payments, and ceasing following review of outcomes
24.	Leadership role in community development initiatives and collaborative approaches to service provision.	Proposals to be taken forward within corporate prevention workstream, e.g. Local Area Coordination
25.	Access to universal services to support all citizens to enhance wellbeing	Additional focus on prevention and early intervention within Sustainable Swansea

We were asked to:

- Focus on Learning disability services including transition from children to adult services
- Develop commissioning arrangements and progress with Western Bay consortium.

The Learning Disability (LD) project within the Western Bay programme, aims to improve the cost effectiveness of care and support for people with a learning disability for whom each of the regional partners are responsible for assessing or providing / funding services. Three strands to this project are:

- i) Research to inform a business case identifying options, obstacles and challenges relating to transition, with a view to identifying a preferred service model for Western Bay;
- ii) An opportunities appraisal for the Swansea local area (similar work having been previously undertaken in Neath Port Talbot and Bridgend) therefore bridging any information gaps;
- iii) Options appraisal for a Learning Disability Services Operational Model.

The basis of the options appraisal is that improved joint working has the potential to deliver better outcomes and high quality, lower cost services for people with a learning disability.

The outcomes associated with this project include ensuring each person with a learning disability has the care and support that reflects his or her needs based on a single joint support plan that describes how health and social care services will meet those needs.

We were also asked to monitor the level of training and knowledge acquired by staff at the completion of their induction period to identify and ensure that further learning and development needs are met.

We have reviewed the Social Care workforce development plan (SCWDP) in support of the adult social care sector, and have developed training plans to meet requirements for the next stage of transformation and particularly in support of Social Services Act.

We will continue to improve by:

- Ensuring we update joint commissioning plans to reshape and remodel the range of services to be sustainable, high quality and focused on supporting people to live as independently as possible, in their own homes, in their own communities.
- Implementing the recommendations of the independent review of Older People Services due to report in September 2014, once there is approval of a way forward from Cabinet.

Conclusion

We have to meet the challenge of implementing the Social Services and Well-being (Wales) Act by April 2016, and there will be a new phase of Transforming Adults Social Services programme for all staff to be involved in. The new Act will involve moving to a new Operating Model, and we will have to ensure that all citizens have the offer of up to date information, advice and assistance to access the support they need to enhance their well-being.

Whilst we must continue to focus our resources effectively on those vulnerable adults by reshaping services to help people remain independent, or to regain their independence, on returning home from a stay in hospital and to support those people who need long term managed care.

We are making good use of new, effective service models such as Reablement, Just Checking, Step Up / Step Down beds and through Integrated Teams.

We can ensure services are sustainable, to meet the increasing demand that comes from a growing, and aging population in Swansea. We can only do this by improving the professional skills of our social care staff who work directly with people and families in their homes, communities and in services. Staff will also need to become more innovative and creative in coming up with solutions that can make a difference to peoples' lives. We are making sure that support plans can deliver the outcomes that people set for themselves.

Over the next period we will need to ensure that everyone is aware of the considerable budget pressures facing the City and County of Swansea, and wider public sector. We need to agree together how we are going meet these challenges, and to deliver on saving targets whilst delivering on the changes required.

Key Priorities for next year (2014 / 2015)

- To continue to promote preventative approaches, early interventions and to improve support available to Carers.
- To ensure that people and Carers can quickly access information, advice and assistance to find the right support that can enhance their wellbeing, and to achieve the outcomes they identify for themselves.
- To speed up access to health and social care support services which can help people return home following a stay in hospital or to remain at home. We will work with Health partners on shared pathways and integrated assessment.
- To continue to reduce delays in discharges from hospital for social care reasons.
- To build sufficient capacity to sustain high quality, long term domiciliary care, home care and a range of reablement opportunities.

- To ensure the range of services commissioned and provided, are sustainable, high quality and focused on supporting people to remain independent in their own homes, within their own communities
- To safeguard adults, by evaluate recent changes to see whether we can improve the experiences of the vulnerable adult at the centre of safeguarding process and to extend the everybody's business approach across the Authority
- To ensuring that staff are supported to gain the right qualifications and continue to be supported in their professional development
- To address the impact staff sickness rates are having on Swansea's capacity to deliver sustainable, high quality care
- To continue to improve professional practice so that we can de-escalate need whilst promoting better outcomes for children, families and adults.

Section 5 Child and Family Services

A transformation of Child and Family Services is needed to deliver sustainable social care in Swansea, in order to meet the aspirations of the Social Services and Well Being Bill and most of all to improve outcomes for children in need and their families in Swansea. Our improvement journey is well underway. This year has seen a leap forward for the service as a whole. There are some great stories being shared within the service of how new ways of carrying out social work is helping children and families to achieve some important changes. At the same time as reclaiming social work practice, in 2013 / 2014 we have produced our best ever set of performance results.

Last year, I set out some challenges as the basis for continued improvement of Child and Family Services.

These remain as our three key objectives in the year ahead:

- Achieving the targets set out in our five Year Safe LAC (Looked After Children) Reduction strategy
- Delivering a financially sustainable Child and Family Services
- Reclaiming social work through the implementation of signs of safety, to ensure children are well safeguarded, protected, and supported to the best possible outcomes

Practice, Practice, Practice was the theme at our most recent Child and Family Staff event, at which all teams were able to share approaches and stories of achievement. Improving the quality of social work practice is the key to ensuring we are achieving our Safe LAC reduction targets, working effectively within the available resources, and therefore contributing to a sustainable financial position.

We are using a signs of safety methodology across the whole service to achieve these improvements. Signs of Safety is an innovative, strengths-based, safety-focused approach to child protection casework originally developed in Western Australia, and refined by a network of Social Workers across the world. Swansea is the first local authority in Wales to implement Signs of Safety, and our approach is based on evidence of what we know works well in complex child protection case work.

Swansea's Sustainable Safe Looked After Children strategy

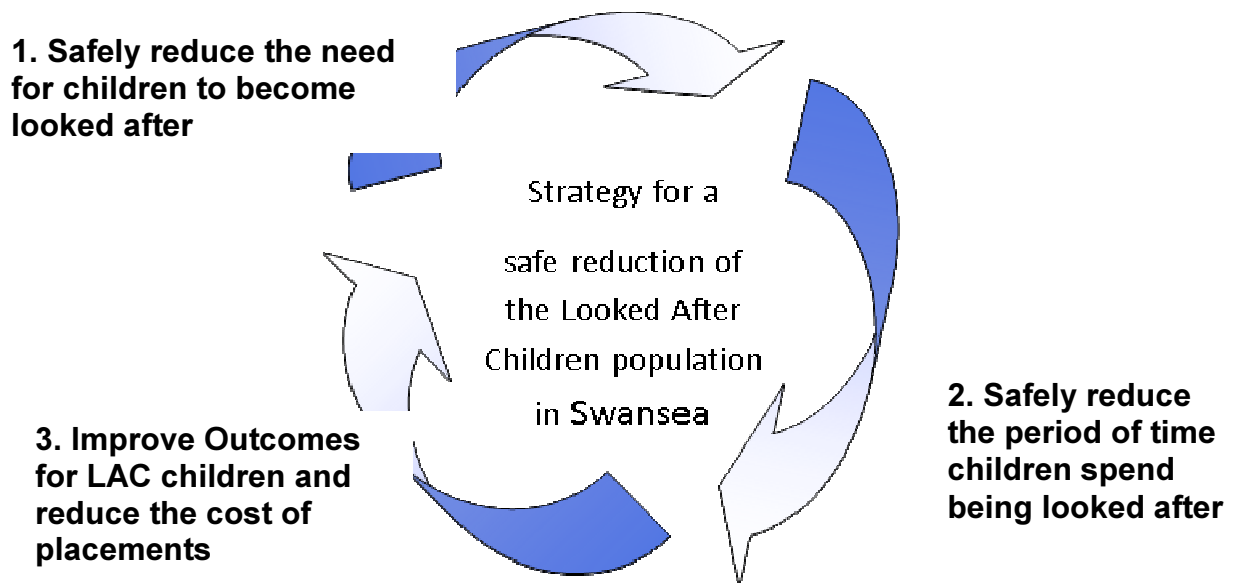


Figure 1 Safe LAC Reduction strategy

In taking forward our Safe LAC Reduction strategy, we are managing the social services budget by careful monitoring and forecasting expenditure. This year 2013 / 2014, we have seen spend on out of county placements fall by 15%. Our transformation agenda supports the Sustainable Swansea – fit for the future programme to consider how we can best meet the requirements for £45million savings across the whole Council in the next three years.

By increasing the number of children with complex needs supported to live in or close to Swansea, we can ensure that children have access to the best possible services. We are achieving better outcomes by matching and placing more children with adoptive parents, and within supportive foster families, trained and supported by Foster Swansea.

These high quality services are vital in promoting better outcomes for children, and in placing the voice of the child at the centre of what we do.

Our whole service implementation of signs of safety and solutions focused thinking is now reaching into all parts of the service, and this forms the basis of much of our work with families and children, in focusing on strengths to create the changes they wish for in building safety, security and resilience into their lives.

We know that there are improvements still to be made from the feedback in the last CSSIW Annual Performance evaluation and recent National Inspection of looked after children at risk. In fact the level of demand on resources and complexity in children's services was seen as a corporate risk, and we continue to benefit from a high level of cross-party political support

and strong corporate leadership.

Among the challenges we identified for Child and Family Services in 2013 / 2014 were:

- Development of permanency planning
- Reduce the number of children becoming looked after through preventative and supportive strategies
- Increased performance in statutory visits to children looked after, those on the child protection register and children in need
- Improve the rate of reviews for look after children
- Improve timeliness of core group meetings
- Reduce the rate of staff sickness within children's services.

How are we doing?

- We are making effective use of the resources by working towards a balanced budget this year (2014 / 2015), and by continuing to develop a **commissioning strategy** that supports high quality local services, through effective collaboration within Western Bay Regional Programme, and with the support of new ventures like the National Adoption Service
- These developments help to ensure there is a range of specialist placements and adoption opportunities to achieve plans for permanence; particularly for children with complex needs, and looked after children at most risk.
- Although we have reduced the number of children looked after by 8% this year, there still is much to do
- We are working more closely with Adult Services to improve transition to adulthood services, and to improve the coordinated range of services available to families.
- Performance on statutory visits and reviews carried out has improved due in equal part to improvement in teams and how well they are supported by the Service Quality Unit.
- Performance in timeliness of core groups remains a priority this year down to 67% from 76%

Although staff sickness rates across social services remain an area of focus, Swansea's Child and Family Services has been successful in achieving a strategy to recruit, train, develop and retaining a high quality, skilled and motivated workforce. We continually review this strategy, and to ensure that training plans fit with the overall service plans. These are reflected in Swansea's Social Care Workforce Development Plan (SCWDP), which sets out our priorities in maintaining and developing the social care workforce across the whole sector, and how we intend to take forward the CPEL (Continuing Professional Education and Learning) framework. We will continue to build management and leadership skills through a management

development programme. We will also build whole service approaches through the next phase implementation of Signs of Safety. Over 500 professionals, including all social workers for children, have now received training in signs of safety, and solutions focused planning.

In reviewing this past year 2013 / 2014 and looking towards 2014 - 2015 and beyond, we are better placed, with a new management structure, to deliver on a more sustainable model of social care:

- to achieve better outcomes for children and families
- to achieve the targets set in the five year Safe LAC Reduction strategy;
- to deliver next phase in a whole service implementation of the Signs of Safety / Solutions focused practice model.

Safeguarding, Performance and Quality

Our targets within a Safe Looked After Children strategy can only be achieved by maintaining effective safeguarding, and child protection practice. The Signs of Safety framework places an emphasis on direct work with children and creating partnership with families as being at the heart of building real safety for children.

Our Service Quality Unit has been able to provide a more responsive and robust service, without a reliance on sessional staff.

Performance in child protection work and with looked after children is improved:

- i) Percentage of initial case conferences in timescale up from 82.5% to 90.5% (the Wales Average 2012 / 2013 = 87.4%)
- ii) Percentage of Child protection review conferences carried out within the statutory timescale has improved from 92.4% to 98.1% (Wales average = 96.1%)
- iii) Percentage of Looked After Children Reviews held within timescale is up from 83.2% to 98% (Wales average 2012 / 2013 = 92%)

Since September 2013, a pilot has also been taking place through the Service Quality Unit to hold child protection conferences using the signs of safety methodology. Conferences held in this way are designed to help families participate more easily, to help all participants assess risk better and to be engaged in the development of a protection plan that emphasises real safety for children. To date 47 Child Protection conferences, considering the safety of 72 children, have been held using signs of safety approach.

Our Safeguarding, Performance and Quality service has a vital role to escalate concerns about practice and performance, as well as to promote good practice in our work promoting positive outcomes for children. An area of focus this year will be to expand the way we seek the views of children and young people throughout the service, using their views to improve quality.

Also to agree an approach to developing further the quality of care planning as a means of improving each child's journey.

Wellbeing

Our 'Wellbeing' service has performed exceptionally well during the year, and we have a good range of high quality, targeted prevention and early interventions, managed through stronger partnerships.

Wellbeing covers a range of services

- Central Children's Referral, Advice and Assessments (CCARA) Team,
- Foster Swansea,
- Ty Nant,
- Family Support Services,

As well as linking into Team Around the Family, Option 2, Integrated Family Support Service

- i) This year 99.8% of our decisions on referrals received were made within 1 working day (Wales average 2012 / 2013 – 97.2%).
- ii) This year the percentage of referrals that are re-referrals decreased from 27.8% to 19.6% to (the 2012 / 2013 Welsh average was 28%).
- iii) We've improved the percentage of initial assessments completed within 7 working days from 84% to 91% (Welsh average 2012 / 2013 – 73%).
- iv) Whilst the percentage where a child was seen as part of the initial assessment remains the same at 83.2%, above the Wales average.
- v) Where child seen alone improved from 34.7% to 42.7% above the Wales average (2012 / 2013) - 37.5%.

Last year 90% of children who needed a foster placement were placed with Foster Swansea carers. We are really proud that Foster Swansea now has 171 Foster carers.

37 were approved last year, and through this recruitment and development of new Carers, we have achieved a net gain of up to 56 placements in one business year.

"It Takes a Village" (...to raise a child)
(Andrew Turnell and Susie Essex, pioneers of Signs of Safety).

More children are now looked after nearer to their home area, and benefit from consistency around family relationships; friendships; education; interests; hobbies and support services. We know children do better when they are looked after in or close to City and County of Swansea.

Foster Swansea have developed an excellent support care service (short breaks service- SBS), and last year 21 children were helped to remain at home by receiving SBS. We are putting in place expert support to Carers,

using signs of safety to help prevent placement breakdowns, which helps children to develop secure attachments that can help them cope with any trauma they have already suffered.

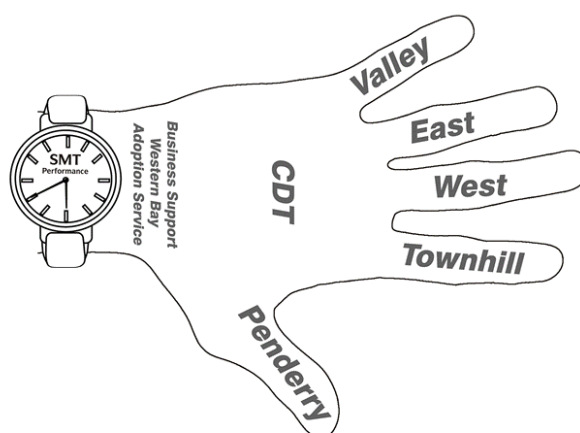
N's Story: N is a 13 year old with her own 'complex problems', spent three months at Ty Nant to help overcome family trauma. She was successfully placed with a Foster Carer and her school attendance improved from 30% to 96%. Ty Nant, our children's accommodation service has been remodelled, and uses restorative, collaborative approaches to promote a looked after child's successful reunification with their family, a transition to leaving care and to improve their placement outcomes (from her own video case story).

We recognise that we do not have enough local provision for older and harder to place children; large sibling groups and we do not have any parent and child placements locally. We are developing a commissioning strategic framework as one of the building blocks for future change and we continue to develop our business support capacity to meet service and team priorities. Swansea are active participants in the Western Bay regional programme, with Neath Port Talbot and Bridgend local authorities and the ABMU health board, and within the Welsh 4 Cs Consortium.

A website to promote child well-being is managed by the Children and Young People's Partnership. It is designed for access by children and their families. There is now a specialist website for Carers of children with disabilities.

Supported Care Planning

Figure 2. Supported Care Planning



Achieving fewer children becoming looked after this year (190, compared to 221 in 2012 / 2013) is the culmination of considerable effort in taking the Safe LAC Reduction strategy forward. Swansea's population rate of LAC is now closer to Wales average at 114, compared to 125 last year.

Further progress is expected over the full 5 years, albeit the step changes seen this year are not expected to be repeatable year on year. There are still a number of children who continue to need to be cared for away from their birth families.

Through signs of safety we are building a better understanding of the unique factors that contribute to children becoming looked after, and the reasons behind their presenting needs. There are common factors involved in a child needing to be looked after, such as sexual abuse, emotional abuse, neglect, family conflict or behavioural difficulties, and cases are often typified by incidence, and combinations of domestic violence, poverty, family substance misuse, and family breakdown. However each set of circumstances is unique, and has to be assessed by the social work in supporting a child and involving the family or Carers in a plan for permanence and safety. Making timely decisions based on a proportionate, early and quality assessment is fundamental to effective and safe social work practice.

A Carers Story: "D" has complex needs and spends the occasional respite nights with his nana, whose only spare bedroom would need a specialist double bed and waterproof mattress costing £1000. "D" has a wonderful caring CMO called "CW", part of the Child Disability Team. The family and CW discussed the issue together and found out about Tough Furniture a specialist provider who makes furniture which is virtually indestructible. CW and the family worked together to find out about charities who would possibly fund the cost of the bed and each contacted different ones. Between them they obtained funding of £800.00 from three separate charities (including the Carers Centre) and the family were happy to pay the balance.

Outcome – D can sleep properly in the special bed, the carer is happy to continue with the respite – and his parents manage to have the odd night off to sleep”

A pilot is being carried out in two locality social work teams, aimed at improving the continuity of support available to children and to target signs of safety interventions earlier and help prevent an escalation of need. This has involved Social Workers from our Central Children’s Advice, Referral and Assessment Team (CCARA) being placed within EAST and PENDERRY Teams to support Social Workers undertaking initial assessments, investigative visits and to agree children in need plans. If successful this might mean that families will experience fewer changes of Social Worker.

Each care management team is focused on improving the quality of assessment, direct work and care planning, and we see and hear about outstanding examples during the regular staff events and team meetings. By using signs of safety from the start, very detailed work is taking place by engaging with children and family networks. We build a rich picture of the dangers and concerns and together we map the changes the family need to put in place to build a safety plan for each child, and to achieve positive outcomes. We are implementing changes to how we are safeguarding and protecting the most vulnerable children, through the new public law arrangements. The number of children on the Child Protection Register (CPR) in Swansea has been around the 200-250 mark for a number of years; although the figure has been slightly lower during most of this year. However within the overall figure, more children are receiving support as part of a child protection plan for shorter periods. This work on implementing the new public law arrangements has reduced the amount of time children are subject to care proceedings.

- i) The percentage of more in depth core assessments completed within the statutory timescale increased from 69.6% to 81.5%, with the average time taken to complete those assessments that took longer than the required timescale down by nine days.
- ii) The percentage of initial child protection core group meetings carried out within the statutory timescale increased from 76% to 78.8% (remaining below the 2012 / 2013 Welsh average of 88%).
- iii) Of those children who are on the protection register, those who remain on the CPR for more than 1 Year, is down to 11% this year from 14% in 2012 / 2013.
- iv) Percentage of children on CPR who have been de-registered and then re-registered is now 19%, up from 16% last, and we will be monitoring this next year.

Our Adoption service has been successful in identifying 19 prospective adopters (20, last year); with 40 children being matched, 40 children placed 35 Adoption orders and 32 Placement orders granted. We are working

towards a Western Bay Regional Adoption service, which is expected to be up and running by September 2014.

Permanence

Permanence is a key element in achieving better outcomes for looked after children, and a key part of the Safe LAC reduction strategy. We are consolidating service improvements by carrying out a permanence review this year to propose a new structure in September 2014. This review will consider our arrangements and services to support transition, older looked after children and care leavers, within the resources available and utilising partnerships we value.

Did you know? Family and Friends have set up a “fun, nurturing, child centred and safe” Youth Group with 4 events held to date in the Evolve Centre, Gorseinon, to promote the benefits of peer support to children (7+) in F&F care.

We want to support more children looked after to be cared for in families, and to achieve permanence, and the best outcomes through adoption, special guardianship arrangements or placements with family and friends. There are still a small group of looked after children who remain in placements in England, since there remains a lack of specialist services in Wales, for example:

- residential schools to support children with complex autism;
- services to support vulnerable children at significant risk of sexual exploitation or harm

We are collaborating both regionally and locally to ensure a wider range of services is available to support children with complex needs, and to ensure placements are available at lower cost and high quality.

Our Permanence review will help ensure that placements and local services provide adequate support for young people who may be at risk of sexual exploitation, mental health issues or offending, and to improve support to care leavers.

We are improving our model of transition for young people aged 16 and over, who have complex needs, in planning and supporting their move from children’s to adult services. A Joint Transition protocol has been developed this year to improve early involvement and multi-agency coordination, and a project group has started work with a view to exploring the benefits of setting up a Joint Transition Team.

KM is looked after under the care of a Social Worker in the LAC 14+ team. Using the SoS model, rehabilitation back to mother’s care was made possible. Through effective use of words and pictures, we could help KM explain her current situations, make plans and to identify a positive safety network to help keep her safe and to manage the impact of parental substance misuse.

The current service priorities are:

- Implementation of the **5 Year Safe LAC Reduction strategy**
- Delivering financially sustainable child and family services
- Safeguarding and protecting children in Swansea by high quality social work practice using signs of safety approach.

We will continue the improvement journey by:

- Placing the **wellbeing** of child in need at the centre of everything we do through, and by coordinating family support delivered through effective partnerships
- Effective and timely **safeguarding, protection and quality** of service to the most vulnerable children in Swansea
- By working in partnership with other professional, families and Carers, we will do everything we can to achieve **permanence** for children looked after at the earliest opportunity
- In order to achieve best possible outcomes, we will achieve the highest possible standards of **supported care planning** for children in need, children we protect, and children with a range of complex needs
- Implementation of Social Services and Well-Being (Wales) Act, **locally and regionally** through Western Bay Health and Social Care Programme
- **Leading** child welfare agencies in a joined-up response to local and regional changes in demographics, in particular the increasing levels of children in need, with rising levels of social and economic problems in families
- Ensuring we have a skilled, motivated and **professional workforce**; and that our recruitment and retention strategy ensures the highest quality, experienced social workers are in place to deliver continuous practice improvement
- Working towards **corporate objectives**, policy commitments, and key performance targets.

Section 6 Focus on Communities

Building supportive communities is a key aspect of Swansea's sustainable strategy.

Adult Services has developed a model of local area practice through a team of 'Community Connectors' - linking in with localities through the five health networks (Llwchwr, Cwmtawe, City Health, Penderi, Bay Health). These networks are established to help people to stay independent, reduce social isolation and to put people in touch with community resources. Social Workers are working more closely with GPs through the Community Networks, to meet the diverse, local population needs with a range of integrated services

Welsh Government has a **Strategic Framework for Welsh Language Services** in Health, Social Services and Social Care, "*Ymgynghoriad: Mwy na geiriau*" / "*More Than Just Words*", and Swansea has developed an action plan to support a phased implementation.

Social Services Departments and Social Care providers are to be expected to:

- Implement a systematic approach to Welsh language services as an integral element of service planning and delivery.
- Build on current best practice and plan, commission and provide care based on the 'Active Offer' of service carried out in Welsh
- To increase the capability of the workforce to provide Welsh language services in priority areas and improve language awareness among all staff

Social Services have a Welsh Language champion, to support implementation of Welsh Language Strategic Framework and Action Plan for the services, which includes mainstreaming the Welsh language into all transformational developments linked to Sustainable Social Services in Wales. We have recently updated our Directory of Welsh and Other Language Speakers.

Swansea's Strategic Equalities Plan 2012 - 2016 sets the following Equality Objective (180 for (Social Services) to:

Improve access to Social Services provision, ensuring that the Service User's needs are at the centre of all planning and commissioning activities.

We are also required to continue with transformation of Adult Social Services to ensure more personalised and citizen-directed services.

A full set of **Equalities Impact Assessments** were opened, to address changes linked to budget strategy, and as part of the Sustainable Swansea - fit for the future programme.

Supporting People Programme

The Supporting People Programme makes a significant contribution to the well-being of citizens by providing support to enable people to remain as independent as possible.

The Programme is closely aligned to Adult and Children Social Services, Homelessness Prevention and Safeguarding and puts policy into practice by funding priority services identified within these key strategies.

There continues to be uncertainty regarding on-going funding levels which relates to the inequitable distribution of Grant across Wales when the Programme commenced in 2003.

However the programme has continued to be successful in delivering a reliable prevention programme commissioned mainly through the third sector.

Other key challenges and outcomes

- Innovative use of the Grant by exploring less traditional forms of provision and by developing more creative forms of targeted support
- A robust citizen presence within the planning, design, evaluation and design of commissioning of services
- Constructive working relationships with partners and neighbouring Local Authorities
- Provider and landlord collaboration and co-production
- Robust systems of contract evaluation, scrutiny and improvement resulting in better services
- Contribution to the development and on-going implementation of a national outcomes framework which is consistently applied across all Social Services and Homelessness Services funded by Supporting People both internally and externally
- The successful transition of additional £2 million worth of services formerly funded directly by the Welsh Government (WG)
- Focused evaluation programme of former WG services to determine whether they are fit for purpose, continue to meet the needs of citizens and are of a reasonable cost

Section 7 Business Support and Service Improvement

Swansea's approach is changing; we are moving from having a commissioning support unit with teams of information, planning and contracting officers for each service area, towards a more integrated approach, in which specialist support is made available to each local network and within commissioning 'hubs'. **Business support** remains as a key enabler of improvement and service transformation. This model is working well in Child and Family Services, and enables service managers and commissioners to specify their support requirements needed to meet their change programme.

Our **Performance Management** arrangements are well established at all levels: corporately, departmentally and in most teams through improved reporting cycles. New arrangements are in place to support the People Directorate, including a People Performance and Financial Monitoring (P&FM) meeting on a monthly basis to account for and track performance against targets. A new Corporate Performance Management Framework has been agreed with Top Managers, and a **balanced scorecard** is to be implemented as a key mechanism for Senior Managers to asked give a full account of performance.



Figure 3 Corporate Performance Framework: Balanced Scorecard

Performance Reporting and Scrutiny:

We provide comprehensive reports on performance on a quarterly basis, and report on service developments to the Well-being Scrutiny Performance Panel. This established group now has separate meetings to cover both Child and Family and Adult Services Community and Adult Services Scrutiny.

In Child and Family Services there is a particular scrutiny focus, together with separate reporting to Executive Board on progress with the Safe LAC

Reduction strategy, as well as safeguarding adults and children. The Director's Annual Report is put to the Wellbeing Scrutiny Performance Panel, before going to Council.

Complaints about our services are viewed positively and feedback is considered an essential part of our improvement systems. People are encouraged to use the complaints procedure; listening to our service users is an essential part of how we work, and our Corporate Complaints team are expected to respond to the new National Guidance for Social Services Complaints.

Did you know: Swansea Council received about 350 complaints last year, all but about 5-10% were resolved at Stage One

Financial

Financial Assessments, Income generation and Debt recovery are now an integral part of social services budget monitoring.

Did you know: Our Business Support Team completed 3229 Financial Assessments last year.

Social Services has clear management and governance arrangements in place to support decision making on commissioning social care and procurement. Managers work within clear corporate spending and accounting rules. Services are subject to internal audit processes and managers are expected to ensure compliance and to implement each of the audit recommendations, with a systematic monitoring of progress on actions required.

Information Communication Technology (ICT)

Work has also been begun on a major upgrade to PARIS 5.1 to roll out by end of 2014/15, and with a view to incorporate PARIS Finance. This major project will impact on all 2243 PARIS registered users within the range of specialist, integrated, social work, health and business support teams. Swansea are involved as watchers of the procurement of an All Wales social care system. At this stage our preference would be to stay with our own system PARIS, as a development partner with Civica, as it offers integration and the range of functionality. We are also, as part of a corporate pilot looking at agile working to support a sustainable delivery model, using tablet devices, hot-desking and home working.

The Council has agreed a set of **Policy Commitments**, against which we track our progress, for example:

Relocate social services to work directly, with partners, in the communities they serve- which are being taken forward through locality working in Child and Family, and in current plans for local area coordination and network hubs.

Intervene in social care market to extend range of provision- this is a key strand within our service transformation, and with Western Bay programmes

Learning from National Review of Commissioning for Dementia Services

The Care and Social Services Inspectorate for Wales (CSSIW) conducted a national review of commissioning in adult social care between July 2013 and January 2014.

The review was conducted in two phases:

- The first phase involved the completion of a self-assessment by local authorities, evaluating the quality of their overall commissioning with their partners in relation to their strategic priorities. This was followed by meetings between CSSIW and local authorities to verify the evidence within their self-assessment.
- The self-assessment focused on the commissioning of adult social care, and how far local authorities are compliant with the standards and best practice in the statutory guidance.
- The second phase comprised field work which focused on the commissioning of services for people with dementia.

Swansea

The overall report for Swansea was extremely positive specifically within the following areas :

- **Commissioning Infrastructure**

Recognised that the Authority undertakes a very detailed needs analysis informed by robust data and engagement with stakeholders, service users and areas

- **Relationships with the third Sector**

Noted as good with evidence of innovative work being undertaken to stimulate capacity in the third sector

- **Regional governance arrangements across the Western Bay**

Recognition of sound project management and a clear plan for delivery.

- **Strong political leadership and strong corporate focus on social care**

The strategy for transforming commissioned services has been presented to full council and the leaders of the council have engaged with the press and with members to ensure that implementation is clearly understood.

- **Prevention and early intervention**

The balance between prevention and support services is good

- **Supporting people in the community**

Highlighting proposals to reshape services including residential services and reinvestment into preventative and re-ablement services.

- **Community Connectors**

This was specifically highlighted as an area of **good practice**.

- **Complex needs**

Good working relationships between the local authority and the health service with regard to services for people needs arising from dementia

- **Engaging service users and carers**

The Local Authority has developed a set of defined outcomes for people with dementia and has consulted on an outcomes focused commissioning model

Key Achievements

- Strong performance and improvement across many areas of social services
- Continuing to carry out the full range of commissioning tasks, from analysing need, planning service changes, working with stakeholders, reaching agreement on service standards with providers, and monitoring against these standards during period of changes.
- Progress towards new model of commissioning support, where specialist support is made available to each service and network team- this change will improve resilience, flexibility and robustness
- Business support are helping to simplify processes, to help reduce bureaucracy and to meet service requirements, e.g. changes to how PARIS case record are used to support decision making and legal involvement; paper-lite approaches to quality assurance and contract monitoring

Key Priorities

- Succession planning, to ensure smooth handover of knowledge tasks and responsibilities, alongside workforce skills development and recognising staff capabilities in this time of rapid change.

- Building resilience and emergency planning into all service business planning, and through new corporate and regional arrangements
- Continue to provide expert support, and leadership within change programmes, performance and quality management and service reviews, e.g. Sustainable Swansea – fit for the future workstreams:
 - Prevention,
 - Efficiency,
 - New Models of Delivery
 - Stopping Services

Section 8 Improving our Workforce

Our workforce is the most valuable resource. We have developed a Social Care Workforce Development Plan (SCWDP) to ensure high quality social care staff are ready to support the needs of the whole sector. This updated plan focuses on the effective recruiting, inducting, supporting, developing and retaining of the right people to meet the strategic and operational challenges ahead.

Our SCWDP Partnership supports the vision of "One Sector, One Workforce." Raising standards across all parts of the social care sector will need a long term commitment. To help us keep on track with this, we try to set realistic objectives that, although challenging, can be achieved with hard work and cooperation.

Strenuous efforts by Child and Family Services to recruit and then retain high quality teams of a mix of young and experienced social workers have proved successful. There has been no agency workers used this year, and there a very low turnover for last year. The Child and Family services workforce remains relatively young, so the effects of early retirement and voluntary redundancy have been minimal. Sickness, maternity leave and absence rates are increasing, and these can have a major impact on teams and workloads. The induction and Mentoring process has recently been reviewed and updated to reflect current workforce requirements.

There is a workforce of about 1853 staff in Social Services, of which Child and Family Service has 435 staff (386 FTEs) about 10-15% are part time. Adult Services employs 1,253 staff (1012 FTEs), of which 80% are female, and a high proportion are less than full time. The remaining 175 are currently employed as Directorate Services.

Adult Services has a more stable, experienced workforce, with over 50% of staff having 11 years or more in service. 106 Managers in Adult Services have already attended coaching skills training. There is a cohort of 12 managers identified for Level 7 coaching course. We are commissioning solutions focused, signs of safety training for implementation across Adult Services

A strategy for minimising vacancies in critical posts in Assessment Case Management teams has been included in the SCWD Plan 2013 / 2014. All staff are supported through regular good quality supervision. We are committed to ensuring that staff can access to Training and Development opportunities achieved through a comprehensive Training Plan which is updated annually.

There are a number of challenges ahead:

- Single Status
- Job Evaluation
- Responding to Early Retirement/Voluntary Redundancy applications

- Proposals for delayering management structures and efficiencies in business support
- Care Council for Wales standards of professional practice
- CPEL Qualifications framework - requiring a competency based and professional development pathway for qualified Social Workers

A number of Social Services Managers have completed the Team Management Development Programme provided by Social Services Improvement Agency. This will be continued in 2014 / 2015.

Child and Family Staff Days have been important events for teams to showcase the improvements in practice. Child and Family Services aims to further raise standards of service, by developing practice expertise through the further embedding of Signs of Safety (next phase), and using the 20 trained Practice Leads.

This emphasis on working directly with child and families, and building on their own support 'family networks', is one area we expect to be taken forward in Adult Services. The whole service Coaching Skills and Person centred thinking skills training is changing how social workers are using their practice skills and tools to make a difference in people's lives.

Business Support Services are, rightly, regarded as a key component in delivering services. The Business Support Services have been reviewed and cost reduction made. Further efficiencies are expected to be recommended in 2014 / 2015, as part of Sustainable Swansea - fit for the future programme.

Our Directorate Management Team (DMT) is aware of the scale of the changes we are expected to make, and key to success is, as always *communication, communication and communication*. There are now regular briefings about what is discussed at DMT and senior manager meetings, as well as a new TASS Update.

Section 8 Key Challenges in 2014 / 2015

These have been identified as:

- Implementing Budget Savings Proposals and Medium Term Financial Plans whilst addressing long term demand pressures
- Child and Family Services to achieve balanced budget through sustainable model of social care, and shared responsibility for, long term, care of children with complex needs
- Building sustainable, high quality social care, through implementation of Social Services and Wellbeing (Wales) Act
- Continue to implement Safe LAC Reduction strategy
- Reskilling/ professionalising the whole Social Care sector workforce, and to raise standards of care
- Maintaining service quality / standards during period of change
- Delivering on Integration plans by developing integrated pathways, network commissioning hubs and joint teams
- Implementing transformational change and new service models in Older People Services, following Independent Review
- Changes to management structures, business support staffing and skill mix affecting teams and staff morale
- Involving a wider range of people in new corporate change programme: Sustainable Swansea – Fit for the Future
- Embedding whole service approaches (Reclaiming Social Work) in Adult Services and Signs of Safety in Child and Family Services
- Improving support to Carers, in partnership with third sector and Health partners
- Response to new guidance on Social Services Complaints procedure.

Key Improvement Priorities in 2014 / 2015

- Improvements in core groups, child in need planning and reviews
- Review of Permanence arrangements to help achieve permanence at the earliest opportunity, and improve support available to care leavers
- Implementing further improvements to everybody's business approach to wellbeing, prevention and safeguarding
- Creating skills, resilience and capacity in Domiciliary Care Market to support Intermediate care tier
- Maintaining Business Support and investment in systems
- Updating commissioning strategic framework / plans
- Deliver on policy commitments by focusing on Target areas, through networks, community connectors and local area coordination

Section 9 Appendices:

1. Key changes in activity and performance in 2013 / 2014

a) Child and Family Services

Child and Family Services	2010 / 2011	2011 / 2012	2012 / 2013	2013 / 2014	% Change (since last Year)
Activity					
Children supported during the year	3001	3407	3720	3494	-6.1
Referrals	2762	3538	2634	1598	-39.3
Re-referrals	961	1094	733	313	-57.3
Initial Assessments	1317	1737*	1756	1313	-25.2
Core Assessments	1068	1143*	1297	1153	-12.1
Strategy (SD) Discussions held	812	1022	1170	1072	-8.4
Section 47 resulting (from SD)	550	708	813	803	-1.2
Child Protection Registrations	286	296	317	295	-6.9
Child Protection De-registrations	273	326	304	302	-0.7
Initial Child Protection Conferences	204	260	372	336	9.4
Child Protection Reviews	634	710	651	591	-8.8
CP Reviews in timescale	613	669	599	580	-3.2
Looked After children at Year end (open cases)	580	554	588	539	-8.3
LAC Placements Started	193	161	227	190	-16.3
Statutory visits carried out	2724	3034	2660	3288	23.6
LAC Reviews in year	1500	1385	1276	1284	0.6
LAC Reviews carried out in timescale	1281	1218	1062	1260	18.6
Young Carers known to service	41	42	29	49	69.0

b) Adult Services

Adult Services Activity	2010 / 2011	2011 / 2012	2012 / 2013	2013 / 2014	% Change (since last Year)
Referrals	10814	10,829	10258	11734	14.4
Unified Assessments	8483	8940	8912	6961	-21.9
OT Assessments	4316	4278	2358	2021	-14.3
Reviews	4862	4762	5328	4580	-14.0
Direct Payments	179	180	183	211	15.3
Carers known	2053	2924	2046	1854	-9.4
No. of people delayed in hospital (for social care reasons)	186	150	44	60	36.4
Adults receiving a service during year	7635	7427	7957	7340	-7.8
People receiving residential support	1573	1566	1641	1617	-1.5
People receiving home care	1481	1422	1439	1284	-10.8
Total hrs of Home Care (Internal & Commissioned)	749,764	710,931	623,010	624,723	0.3
Nights of respite provided	11,950	8971	9977	10473	5.0
People receiving equipment delivered and installed	1617	1166	1774	1442	-18.7
People receiving Adaptations	1159	1020	1339	924	-31.0
People receiving Meals	663	550	494	506	2.4

c) Directorate Services

Directorate Activity	2010 / 2011	2011 / 2012	2012 / 2013	2013 / 2014	% Change (since last Year)
Financial Assessments	3481	3961	3742-	3229	-13.7

Section 2. Table showing Key Performance Results 2013 / 2014 (with New Targets set for Corporate Improvement Plan 2014 / 2015)

Ref.	Service	Key Performance Indicator	Swansea End of Year 2010 / 2011	Swansea End of Year 2011 / 2012	Swansea End of Year 2012 / 2013	Swansea End of Year 2013 / 2014	Swansea Target (TAF) 2013 / 2014	Wales Ave 2012 / 2013	New Target 2014 / 2015	Desired Direction of Travel
SCA001 NSI	Adult Services	Delayed Transfers of Care	9	7.18	2.12	2.47	2	4.57	2.2	∞
SCA002a NSI	Adult Services	Older People Supported in Community at end of year	69.87	67.59	77.22	73.51	85	77.53	75	∅ (TBA)
SCA002b NSI	Adult Services	Older People Supported in Care Homes at end of year	22.16	22.84	22.91	21.50	19.5	20.63	20.9	∞
SCA003a	Adult Services	Supported in Community during year, aged 18-64	96.9	97.09	97.72	97.38	98	93.87	97.5	∅
SCA003b	Adult Services	Supported in Community during year, aged 65+	80.43	79.32	80.21	78.21	86	83.47	80	∅
SSA1 Local	Adult Services	Initial enquiry and care-plan, including specialist (working days)	57	24.17	26.65	21.3	45	Local PI	Deleted	∞
SCA007	Adult Services	Reviews	74.2	76.9	83.2	81.1	85.7	80.9	81.5	∅
SSA2 Local	Adult Services	Installation of aids / equipment (working days)	5.46	7.10	6.69	7.29	7	Local PI	Deleted	∞
SCA018a	Adult Services	Carers offered assessment or review	100	97.2	96.6	97.3	99	86.8	97.5	∅
SCA018b	Adult Services	Carers had assessment or review	11.3	12	35.5	37.6	No Target	33.6	37	∅
SCA018c	Adult Services	Carers provided with service	24.7	84.3	73.6	68.3	No Target	62.8	70	∅
SCA019	Adult Services	Adult Protection referrals-evidence risk managed	83.77	90.41	92.65	93.3	94	91.8	93.5	∅
SCA020	Adult Services	Adult supported in the community			85.8	84	88.5	86.2	84.5	∅
SCC/001a PAM	Child and Family	First Placements of looked after children with care plan	100	100	100	100	100	89.1	100	∅

Ref.	Service	Key Performance Indicator	Swansea End of Year 2010 / 2011	Swansea End of Year 2011 / 2012	Swansea End of Year 2012 / 2013	Swansea End of Year 2013 / 2014	Swansea Target (TAF) 2013 / 2014	Wales Ave 2012 / 2013	New Target 2014 / 2015	Desired Direction of Travel
SCC/001b	Child and Family	Looked after children at 2 nd review with a plan for permanence	96.7	95.5	91.9	98.4	98	91.7	99	∅
SCC/002 NSI	Child and Family	Looked after children experiencing one or more changes of school	19.2	14.7	16.3	17	10.4	13.7	15	⊕
SCC/004 PAM	Child and Family	Looked after children with 3 or more placements in year	11.8	6.5	7.7	8	6.5	9.4	7	⊕
SCC/006	Child and Family	Referrals on which decision made within 1 working day	98.3	97.4	100	99.8	100	97.2	100	∅
SCC/007a	Child and Family	Referrals allocated to social worker for initial assessment	42.5	47.9	63.4	80	>70	63.8	80	∅
SCC/007b	Child and Family	Referrals allocated to someone other than a social worker	5.1	1.2	3.3	2.2	<5	8.3	2	⊕
SCC/007c	Child and Family	Referrals did not proceed to allocation	52.3	50.9	33.3	17.8	<25	28	18	⊕
SCC/010	Child and Family	% of referrals that are repeat referral within 12 months	34.8	30.9	27.8	19.6	24.7	27	16	⊕
SCC/0011 a	Child and Family	% initial assessments carried out where evidence that children seen	72.9	74.4	83.2	83.2	85	75.4	88	∅
SCC/0011 b	Child and Family	% initial assessments carried out where evidence that children seen alone	32.6	32.5	34.7	42.7	46	37.5	45	∅
SCC/013ai	Child and Family	% open cases of children on CPR allocated to a	99.9	99.7	100	99.7	100	99.7	99.8	∅

Ref.	Service	Key Performance Indicator	Swansea End of Year 2010 / 2011	Swansea End of Year 2011 / 2012	Swansea End of Year 2012 / 2013	Swansea End of Year 2013 / 2014	Swansea Target (TAF) 2013 / 2014	Wales Ave 2012 / 2013	New Target 2014 / 2015	Desired Direction of Travel
		qualified social worker								
SCC/013aaii	Child and Family	% open cases of children looked after allocated to a qualified social worker	97.3	94	96.3	97.8	97.3	94.9	98	∅
SCC/013aaii	Child and Family	% open cases of children in need allocated to a qualified social worker	57.9	61.4	73.5	75.1	80	74.5	78	∅
SCC/013bi	Child and Family	% open cases of children on CPR allocated to non qualified social worker	0.1	0.2	0	0.3	0	0.2	0.2	∞
SCC/013bii	Child and Family	% open cases of children looked after allocated to non qualified social worker	2.6	3.3	1.2	1.6	0	4.4	1.2	∞
SCC/013bii	Child and Family	% open cases of children in need allocated to non qualified social worker	30	18.6	18.7	19.2	13	21	18	∞
SCC/014	Child and Family	Initial Case Conference held within 15 days of strategy discussion	65.17	71.8	82.5	90.5	90	87.4	92	∅
SCC/015	Child and Family	Initial Core group meetings held with 10 days of Initial Case Conference	69.23	66.3	76.1	78.8		88.4	90	∅
Ref.	Service	Key Performance Indicator	Swansea End of Year 2010 / 2011	Swansea End of Year 2011 / 2012	Swansea End of Year 2012 / 2013	Swansea End of Year 2013 / 2014	Swansea Target (TAF) 2013 / 2014	Wales Ave 2012 / 2013	New Target 2014 / 2015	Desired Direction of Travel
SCC/016	Child and Family	Reviews of Children in Need plans	-	50.3	57.3	73.3		71.4	80	∅
SCC/021	Child and Family	% LAC reviews carried out within statutory timescales	85.4	87.9	83.2	98.1	96	91.9	98.5	∅
SCC/024	Child and Family	% of looked after children with PEP	70.37	62.3	79.1	81.3	No Target	65	85	∅

Ref.	Service	Key Performance Indicator	Swansea End of Year 2010 / 2011	Swansea End of Year 2011 / 2012	Swansea End of Year 2012 / 2013	Swansea End of Year 2013 / 2014	Swansea Target (TAF) 2013 / 2014	Wales Ave 2012 / 2013	New Target 2014 / 2015	Desired Direction of Travel
							Set			

Ref.	Service	Key Performance Indicator	Swansea End of Year 2010 / 2011	Swansea End of Year 2011 / 2012	Swansea End of Year 2012 / 2013	Swansea End of Year 2013 / 2014	Swansea Target (TAF) 2012 / 2013	Wales Ave 2011 / 2012	New Target 2014 / 2015	Desired Direction of Travel
SCC/025 PAM	Child and Family	% statutory visits to looked after children	91.1	87.5	79.7	83.6	90	83	88	∅
SCC/030a PAM	Child and Family	Young carers known who were assessed	75.6	57.1	100	100	100	92.3	100	∅
SCC/030b	Child and Family	Young carers who were provided with a service	75.6	57.1	62.1	100	100	89.4	100	∅
SCC/033a PAM	Child and Family	Young people formerly looked after still in touch at 19	85.2	89.7	94.1	81.1	97	93.4	95	∅
SCC/033b PAM	Child and Family	Young people formerly looked in suitable accommodation	91.3	92.3	93.8	96.7	96	93.2	97	∅
SCC/033c PAM	Child and Family	Young people formerly LAC in education, training or employment at 19	39.1	57.7	56.3	46.7	70	56.4	60	∅
SCC/034	Child and Family	% of CPR reviews within statutory timescales	96.7	94.2	92.4	98.1	98	96.1	98.5	∅
SCC/035	Child and Family	Looked After children at Key Stage 2 achieving core subject indicator	37.5	64.29	42.11	46.7		49.09	48	∅
SCC/036	Child and Family	Looked After children at Key Stage 3 achieving core subject indicator	21.21	30.77	14.29	44.1		30.36	48	∅
SCC/037 NSI	Child and Family	Ave. external qualifications point score for 16 yr old LAC	156	185	330	249	310	221	260	∅
SCC/039	Child and Family	Health Assessments for looked after children undertaken	89.6	92.4	93.7	98.1	100	80.3	98	∅
SCC/040	Child and	Placements started where	96.78	100	-	TBC	No	90.1	90	∅

Ref.	Service	Key Performance Indicator	Swansea End of Year 2010 / 2011	Swansea End of Year 2011 / 2012	Swansea End of Year 2012 / 2013	Swansea End of Year 2013 / 2014	Swansea Target (TAF) 2012 / 2013	Wales Ave 2011 / 2012	New Target 2014 / 2015	Desired Direction of Travel
	Family	child is registered with GP within 10 days					Target			
SCC/041a	Child and Family Services	Eligible children with pathway plans	93.2	98.2	97.5	93.5	100	89.5	94	∅
SCC/041b	Child and Family Services	Eligible children allocated a personal advisor	96.26	93.6	92	95	No Target	96.3	97	∅
SCC/042a (formerly SCC/008a)	Child and Family Services	% Initial Assessments completed within 7 working days	78.7	77.8	84.4	91.5	88	73.1	93	∅
SCC/042b (formerly SCC/008b)	Child and Family Services	Ave time taken for those initial assessments that took longer than 7 days	13	16	14	12	<10	20	10	⊕
SCC/043a (formerly SCC/009a)	Child and Family Services	% Core Assessments completed within 35 working days	57	68.9	69.6	81.8	80.7	76.6	84	∅
SCC/043b (formerly SCC/009b)	Child and Family Services	Ave time taken for those core assessments that took longer than 35days	66	65	69	60	<50	65	50	⊕
SCC/044a	Child and Family Services	% children looked after who were permanently excluded from school	0.36	0	-	0	0	0	0	⊕
SCC/044b	Child and Family Services	Ave. no. of days spent out of school on fixed term exclusions for children looked after	8.49	8.9	5	9.8	No Target Set	6.3	5	⊕
SCC/045 New PAM	Child and Family Services	% of reviews Children looked after, CPR and CiN within statutory timescales	New	75.8	86.3	88.6	85	86.4	90	∅

NSI =National Strategic Indicator; PAM = Public Accountability Measure; TAF =Target to aim for, as agreed by Corporate Management Team)

Report of the Chair of the Scrutiny Programme Committee

Council – 30 September 2014

SCRUTINY ANNUAL REPORT 2013-2014

Purpose:	To provide a report on the work of scrutiny for the municipal year 2013-2014.
Policy Framework:	Council Constitution
Reason for Decision:	It is a constitutional requirement that the Scrutiny Annual Report is reported to Council.
Consultation:	Legal, Finance and Access to Services. Scrutiny Programme Committee
Recommendation(s):	It is recommended that: 1) The Scrutiny Annual Report 2013-2014 be endorsed
Report Author:	Dave Mckenna, Scrutiny Manager
Finance Officer:	Carl Billingsley
Legal Officer:	Nigel Havard
Access to Services Officer:	Phil Couch

1.0 Introduction

1.1 Every year Council requires that an annual report is produced for the work of scrutiny for the previous municipal year.

1.2 The Scrutiny Annual Report is used to:

- Highlight the work carried out by scrutiny
- Show how scrutiny has made a difference
- Support continuous improvement for the scrutiny function

1.3 The 2013-2014 annual report was considered by the Scrutiny Programme Committee at their August meeting prior to being presented to Council.

2.0 Format

2.1 For the third year the report is being produced as a simple scorecard. This approach is intended to highlight a small number of key indicators that illustrate four performance questions. These questions, which are intended to reflect a 'results based' approach, are:

- What was the impact of scrutiny?
- How well did we do it?
- How much did scrutiny affect the business of the Council?
- How much scrutiny did we do?

2.2 This year charts have been added that show comparative data for last year and for the year before where available. Arrows on the main scorecard have also been added to indicate the direction of change for each measure.

2.3 Councillors should also consider whether the indicators will be suitable for future reports or whether different indicators should be used or developed.

3.0 Equality and Engagement Implications

3.1 There are no equality and engagement implications at this stage. The Scrutiny Programme Committee has, however, prioritised public engagement as an improvement theme for the year ahead and this will be an opportunity to review equality and engagement issues.

4.0 Financial Implications

4.1 There are no additional financial implications at this stage. The annual report will only be produced electronically and there will be no additional printing or publicity costs.

5.0 Legal Implications

5.1 The Council Constitution requires that an overview & scrutiny annual report is produced each year although the style and content of the annual report is not prescribed.

Background Papers: None

Appendices:

1. Scrutiny Annual Report 2013-2014

Appendix 1

Swansea Scrutiny Results Scorecard 2013-14

Scrutiny Practice	A. How much scrutiny did we do?	B. How well did we do it?
	1. Number of committee meetings = 16 ↓ 2. Number of panel meetings/working groups = 96 ↑ 3. Number of in-depth inquiries completed = 2 ↓	4. Councillors who say they have a good understanding of the work of scrutiny = 97% ↑ 5. Staff who say they have a good understanding of the work of scrutiny = 53% ↓ 6. Average councillor attendance at scrutiny meetings = 63% ↓ 7. Backbench councillors actively involved in scrutiny = 83% ↓ 8. Councillors who agree that the level of support provided by the Scrutiny Team is either excellent or very good = 81% ↓ 9. Staff who agree that the level of support provided by the Scrutiny Team is either excellent or very good = 64% ↓
Scrutiny Outcomes	C. How much did scrutiny affect the business of the Council?	D. What were the outcomes of scrutiny?
	10. Number of chairs letters written to cabinet members = 45 ↑ 11. In depth inquiries reported to Cabinet = 6 ↑ 12. Action plans agreed = 4 ↑ 13. Follow ups undertaken = 2 ↓ 14. Number of Cabinet reports subject to pre decision scrutiny = 0 ↔ 15. Cabinet members who attended at least one question and answer session at the Scrutiny Programme Committee = 100% <small>new</small>	16. Scrutiny recommendations accepted or partly accepted by Cabinet = 95% ↓ 17. Recommendations signed off by scrutiny as completed = 50% ↓ 18. Councillors who agree that scrutiny has a positive impact on the business of the Council = 70% ↓ 19. Staff who agree that scrutiny has a positive impact on the business of the Council = 68% ↑

↓↑ = significant change, ↓↑ = small change, ↔ no change

Looking Back and Looking Forward

Foreword from the Chair of the Scrutiny Programme Committee

The last year has been a year of bedding in for scrutiny in Swansea. The new system, with its single committee supported by informal panels and working groups, introduced in November 2012, has now become established. While Scrutiny Performance Panels have been getting to grips with their work, and working groups have been dealing with one-off issues, the first in depth Scrutiny Inquiry Panels have been making their recommendations to Cabinet.

As you can see from this report the levels of activity this year have been high. As this is the second year that we have used a scorecard format we have the opportunity to make comparisons. Some highlights include:

- The number of panel meetings/working groups increased from 65 in 2012/13 to 96 in 2013/14.
- The number of chairs letters written to Cabinet members has increased from 13 in 2012/13 to 45 in 2013/14.
- The number of in-depth inquiries reported to Cabinet has doubled from 3 in 2012/13 to 6 in 2013/14.

The results based approach we have used means presenting a scorecard of key indicators that help us to understand:

- How much scrutiny we did
- How well we did it
- How much scrutiny affected the business of the Council
- The outcomes of scrutiny

Over the last 12 months scrutiny has gained greater national significance. Both the Welsh Government and the Wales Audit Office have pointed to a greater role for scrutiny if it can demonstrate effectiveness. Providing accountability, self regulation and a source of innovation for local government in what are very challenging times. The Williams' Commission on Public Service Governance and Delivery supported this message arguing that 'the importance, status and value of scrutiny must be recognised, prioritised, continually sustained and reinforced'.

We are delighted that our work has gained national recognition. We were able to present some of our work to the main plenary at the 'Scrutiny in the Spotlight' conference in November and at the recent Welsh Local Government Conference the Local Government Minister highlighted Swansea as an example of good practice.

The last year has also been a year of learning. May 2014 saw the publication of 'Good Scrutiny? Good Question!' the Wales Audit Office's report into scrutiny effectiveness. This marked the end of a process from which we have learned much and we will be working our way through the recommendations of that report as we go forward. We will also be using the 'characteristics of

effective scrutiny', published as part of that report, as the basis for evaluation of our work.

Looking forward our key theme for the year ahead is impact. We have already agreed an action plan and will be taking a number of practical steps to ensure that the work we are doing really does make a difference for the citizens of Swansea. Overall we have five improvement themes for the year ahead:

- **Impact:** Making more of a difference
- **Work Planning:** Focusing on the things that really matter
- **Public Engagement:** Giving citizens a voice
- **Training and Development:** Ensuring we have the skills we need
- **Continuous Improvement:** Getting better at what we do

Finally, while Swansea's Scrutiny arrangements have been receiving recognition from outside the Council, the Committee has been concerned to provide for the opportunity for the profile of scrutiny to be raised at Council meetings and for important topics to be discussed. While the Scrutiny Dispatches continue to appear on each Council Summons, and despite clarification from the Chair of Council that questions can be raised, there is confusion about the report's status as it is marked 'For Information Only'. As Chair of the Scrutiny programme Committee, I recommend to Council that the profile of scrutiny can be raised by having a clear opportunity for discussion and debate at Council

I look forward to reporting back our progress next year.

Cllr Mike Day

The Indicators

A. How much scrutiny did we do?

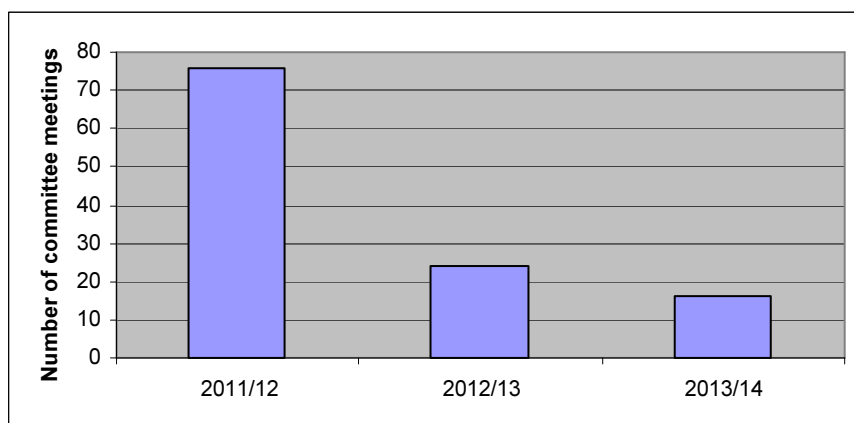
1. Number of formal committee meetings = 16

Formal committee meetings for scrutiny are held in public and give councillors the opportunity to hold cabinet members to account and provide challenge on a range of policy and service issues.

The committee meetings for 2013-14 were as follows:

- Scrutiny Programme Committee (12 meetings)
- Special Scrutiny Programme Committee – review of gypsy & traveller site search process (4 meetings)

Comparison with previous years:



(Note: During 2012/13 before the Scrutiny Programme Committee was established three Scrutiny Boards were operating. In 2011/12 there were five boards and two committees)

2. Number of panel meetings/working groups = 96

Panel meetings and working groups are established by the Scrutiny Programme Committee with an appointed convener.

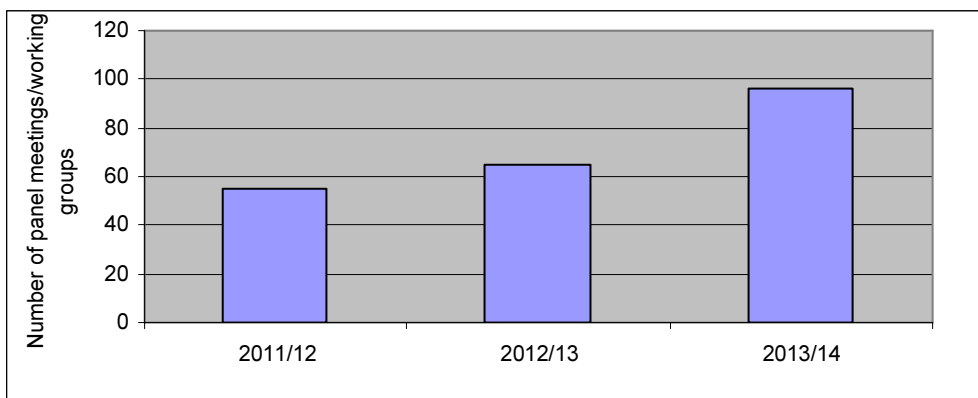
There are two types of panels:

Inquiry panels - these undertake in-depth inquiries into specific and significant areas of concern on a task and finish basis.

Performance panels - these provide in-depth monitoring and challenge for clearly defined service areas.

Working groups are one-off meetings established when a matter should be carried out outside of the committee but does not need a panel to be set up.

Comparison with previous years:



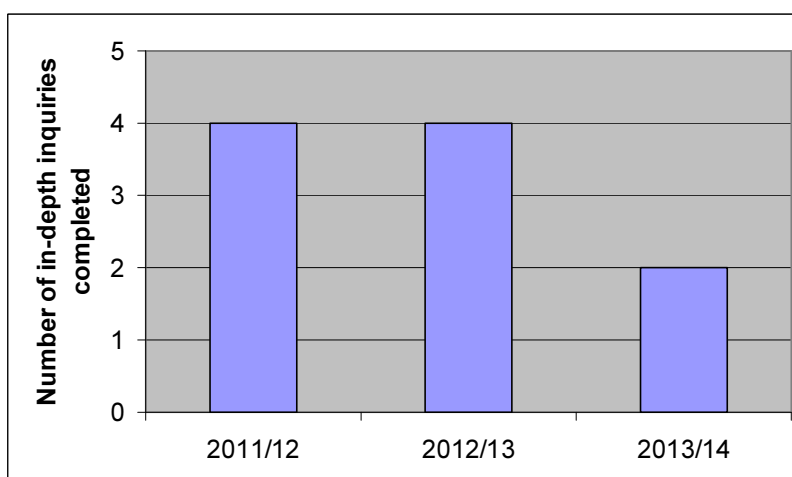
3. Number of in-depth inquiries completed = 2

Work on the following in-depth inquiries was completed during 2013-14:

Inquiry	Panel
<i>Learning Lessons</i> : How can schools, the council and its partners improve wellbeing in schools?	Attainment and Wellbeing Inquiry Panel
<i>Workless not Worthless</i> : How can the council and its partners reduce economic inactivity in Swansea?	Economic Inactivity Inquiry Panel

Although this number is low there are four inquiries which will be completed in the early months of 2014/15.

Comparison with previous years:

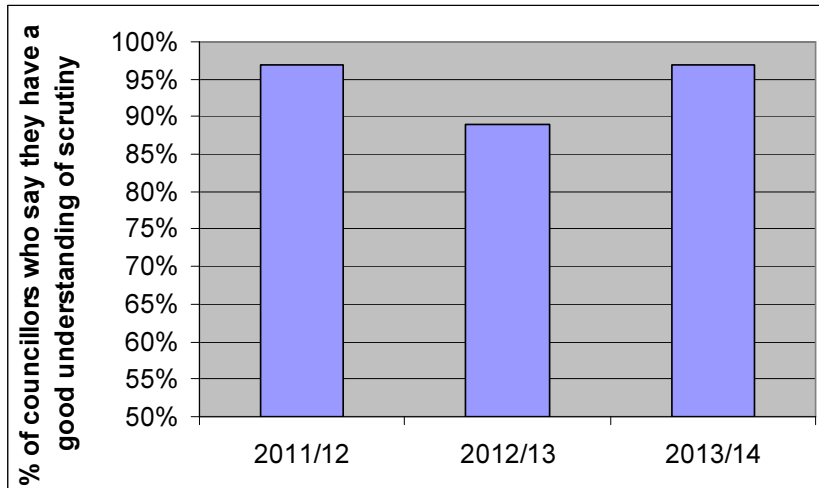


B. How well did we do it?

4. Councillors who say they have a good understanding of the work of scrutiny = 97%

Awareness and understanding of scrutiny is an important aspect of effectiveness. This data is collected via an annual survey of Councillors. The numbers of councillors who responded to the survey was 33 (53% of all councillors).

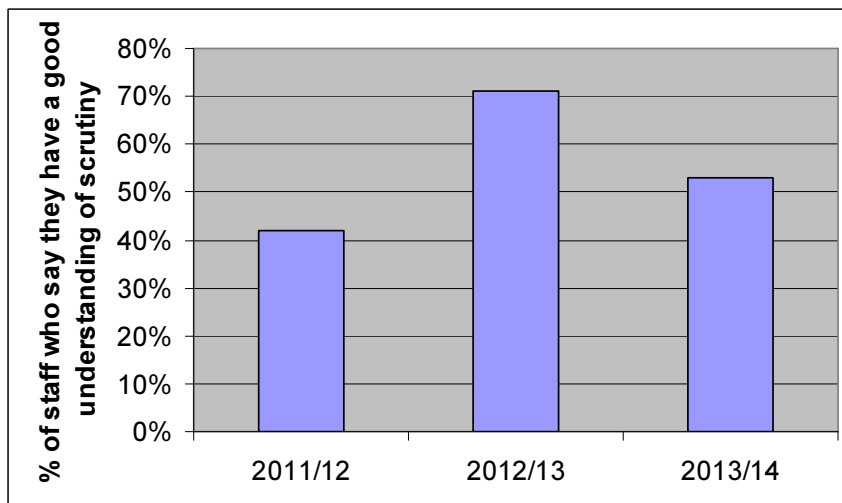
Comparison with previous years:



5. Staff who say they have a good understanding of the work of scrutiny = 53%

Awareness and understanding of scrutiny is an important aspect of effectiveness. This data is collected via an annual survey of staff and partners. The number of people answering this question was 74 which is a low number from which to draw meaningful conclusions.

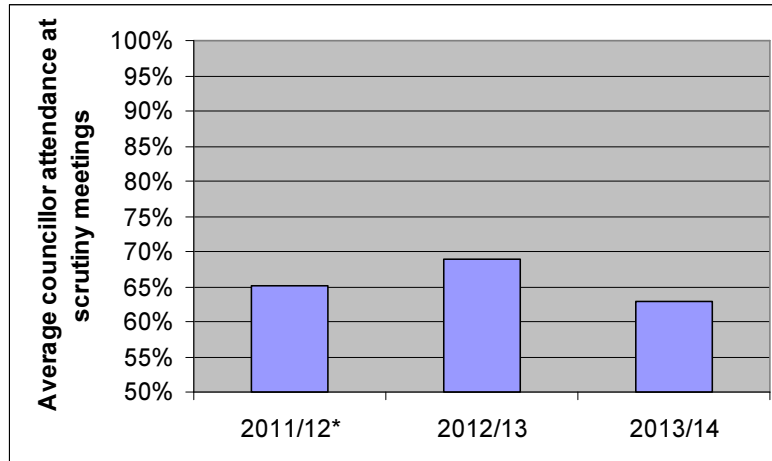
Comparison with previous years:



6. Average councillor attendance at scrutiny meetings = 63%

The rate of councillor attendance measures an important aspect of effectiveness as it reflects the engagement of councillors in the scrutiny process. Attendance figures for councillors attending formal meetings are collected by the Members Support Team and published on the Council's website. 2013/14's figure is an overall attendance figure that includes the Scrutiny Programme Committee, panel meetings and the working groups.

Comparison with previous years:

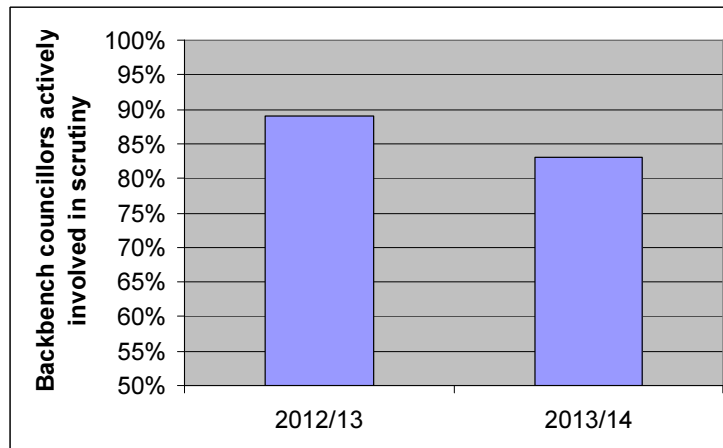


*formal meetings only

7. Backbench councillors actively involved in scrutiny = 83%

The large majority of backbench councillors were involved in scrutiny either through the Scrutiny Programme Committee, panels or working groups.

Comparison with previous years:

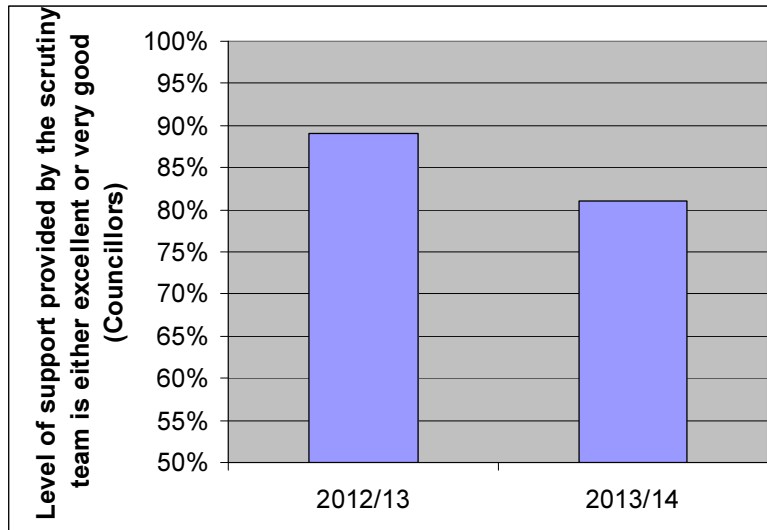


8. Councillors who have used the service who agree that the level of support provided by the Scrutiny Team is either excellent or very good = 81%

The Scrutiny Team provides capacity for the committee and the panel meetings/working groups to undertake their work by undertaking, for

example, project management, research, report writing and liaison with cabinet and witnesses. This data is collected via an annual survey of councillors. The number of people answering this question was 33.

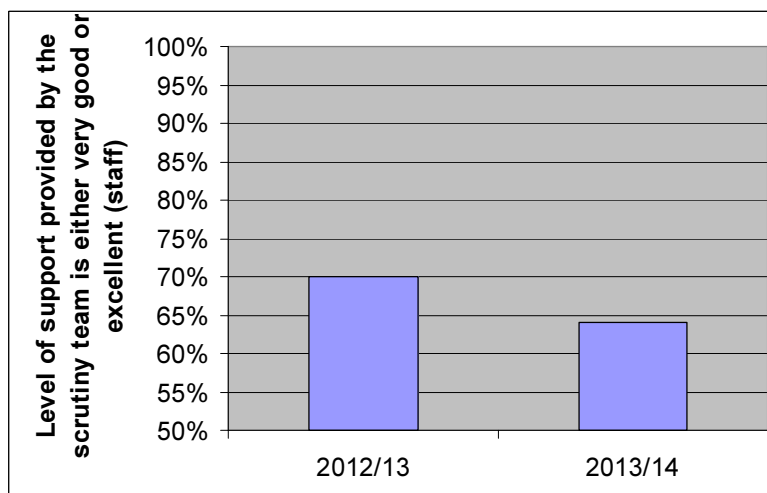
Comparison with previous years:



9. Staff who agree that the level of support provided by the Scrutiny Team is either excellent or very good = 64%

The Scrutiny Team provides capacity for the committee and the panel meetings/working groups to undertake their work by undertaking, for example, project management, research, report writing and liaison with cabinet and witnesses. This data is collected via an annual survey of staff and partners. Only those who have used the service are asked this question. The number of people answering this question was only 14.

Comparison with previous years:

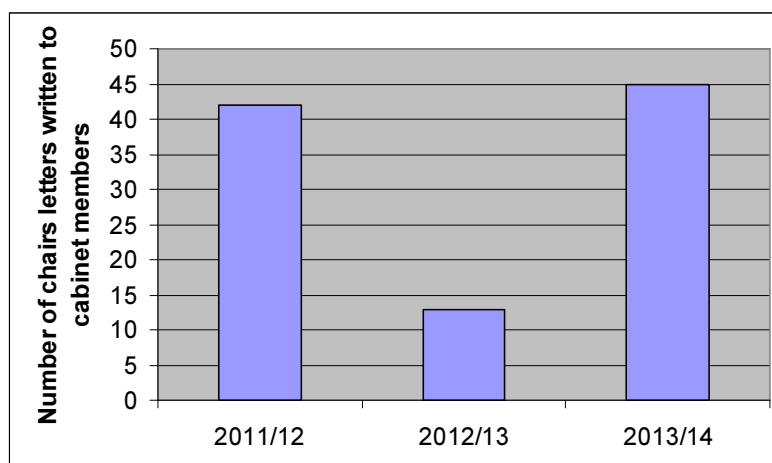


C. How much did scrutiny affect the business of the Council?

10. Number of chairs letters written to cabinet members = 45

Chairs letters allow the committee and panel meetings/working groups to communicate quickly and efficiently with the relevant cabinet members. They use these letters to raise concerns, highlight good practice, ask for further information and make recommendations.

Comparison with previous years:

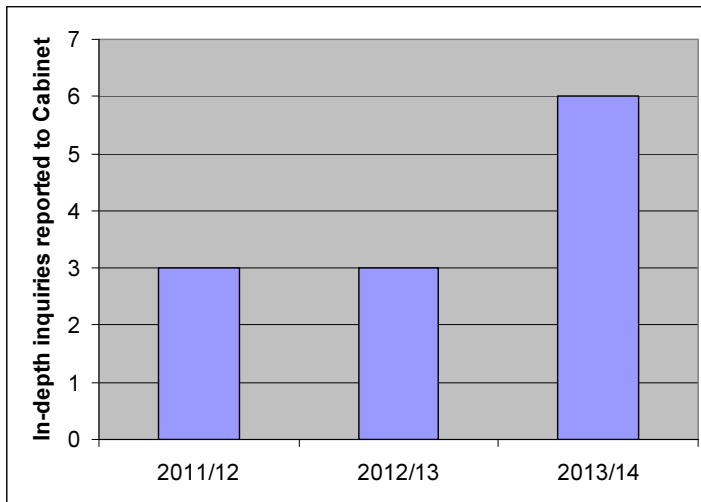


11. In-depth inquiries / reviews reported to Cabinet = 6

In depth inquiries are reported to Cabinet for a response to the recommendations agreed by scrutiny and action plan on how the recommendations will be implemented. The following in-depth reviews were reported to Cabinet from scrutiny with the number of recommendations from each shown in brackets:

- Tourism in Swansea (14)
- Improving Services for Looked after Children (15)
- Economic Inactivity (7)
- Wellbeing in Schools (11)
- Public Transport and Social Inclusion (14)
- Affordable Housing (13)

Comparison with previous years:

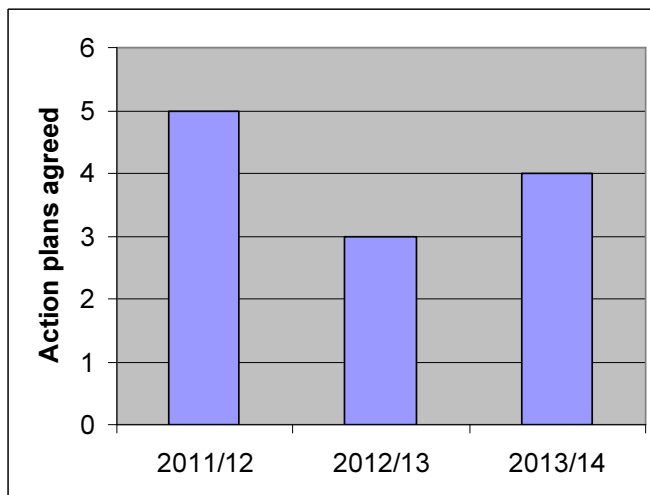


12. Action plans agreed = 4

Once recommendations and an action plan have been agreed by cabinet, scrutiny will follow up on progress with implementation and impact. The following action plans were agreed following in-depth inquiries during 2013-14:

- Improving Services for Looked after Children
- Tourism in Swansea
- Public Transport and Social Inclusion
- Affordable Housing

Comparison with previous years:

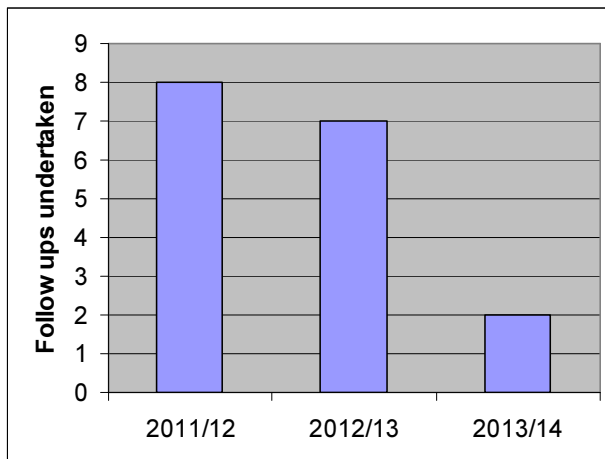


13. Follow ups undertaken = 2

In order to check whether the agreed action plans have been carried out, scrutiny will ask for follow up reports from cabinet members. If councillors are satisfied they can then conclude the work for that inquiry. The following follow ups were considered in 2013-14:

- The Role of Teaching Assistants across the Primary Sector in Swansea
- Support for Care Leavers

Comparison with previous years:



14. Number of Cabinet reports subject to pre decision scrutiny = 0

Pre decision scrutiny involves scrutiny councillors considering cabinet reports before cabinet makes a final decision. In the previous year no cabinet report was subject to pre decision scrutiny.

15. Cabinet members who attended at least one question and answer session at the Scrutiny Programme Committee – 100%

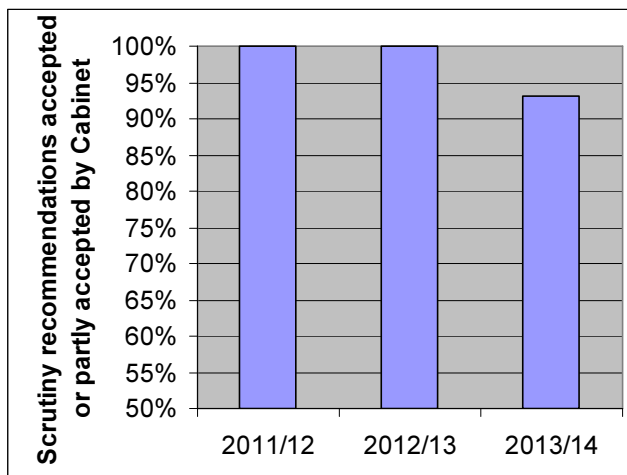
Cabinet members attend scrutiny meetings to answer questions and provide information. Cabinet attendance at scrutiny meetings is a good indicator that the 'holding to account' role of scrutiny is functioning well. In 2013/14 every Cabinet member attended at least one question and answer session at the Scrutiny Programme Committee. This is a new indicator.

D. What were the outcomes of scrutiny?

16. Scrutiny recommendations accepted or partly accepted by Cabinet = 93%

The rate that cabinet accept scrutiny recommendations is a good indicator of whether scrutiny is making strong recommendations based on robust evidence. Cabinet responded to 56 scrutiny recommendations in 2013-14 of which 48 were accepted and 4 were partly accepted. 4 were rejected.

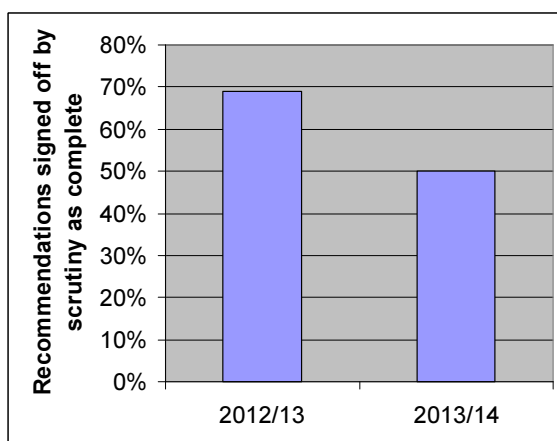
Comparison with previous years:



17. Recommendations signed off by scrutiny as completed = 50%

When follow up reports are presented to scrutiny they detail which of the recommendations from the in depth inquiry have been completed in line with the cabinet member's action plan and which have not. Scrutiny councillors then consider whether they agree with the assessment taking into account the evidence they are presented with. This indicator represents the percentage of recommendations accepted by scrutiny as being completed for the year (14 recommendations were considered of which 7 were signed off as complete).

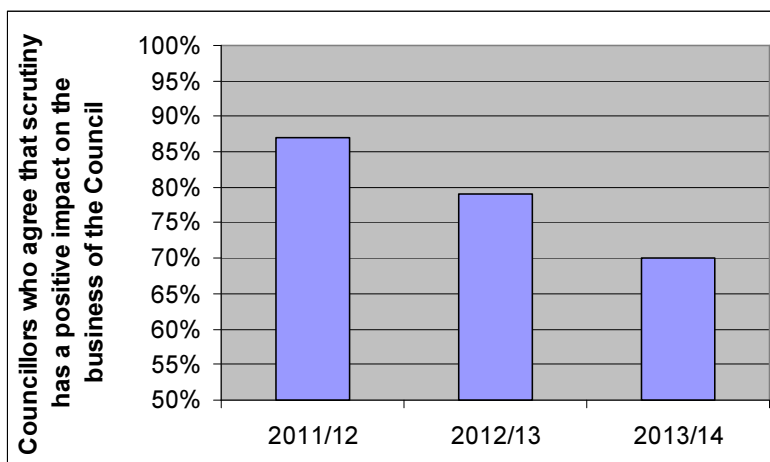
Comparison with previous years:



18. Councillors who agree that scrutiny has a positive impact on the business of the Council = 70%

As part of an annual survey, councillors are asked whether they believe that scrutiny has made a difference. The numbers of councillors who responded to the survey was 33 (53% of all councillors).

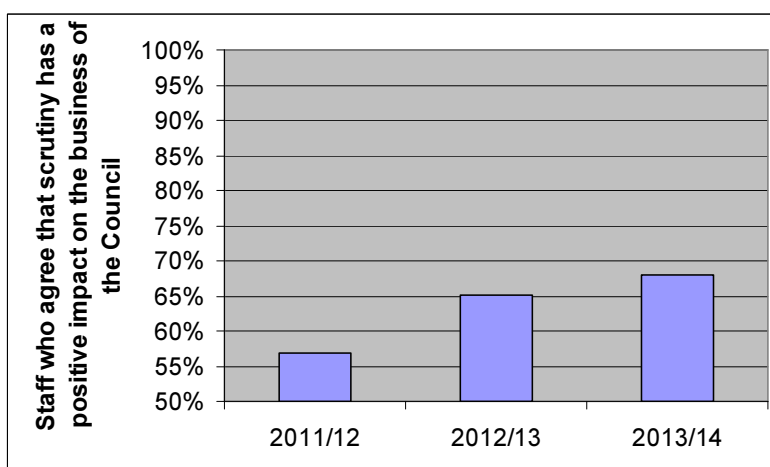
Comparison with previous years:



19. Staff who agree that scrutiny has a positive impact on the business of the Council = 68%

As part of an annual survey, staff and partners are asked whether they believe that scrutiny has made a difference. The number of people answering this question was only 74.

Comparison with previous years:



Agenda Item 17.

Council – 30 September 2014

COUNCILLORS' QUESTIONS

PART A - SUPPLEMENTARIES

1. **Councillors C A Holley, J W Jones & M H Jones**
Considering the adverse comments made by the previous Leader regarding developers will the new Leader tell Council what he is going to do to attract developers into the City Centre.
- Response of the Leader**
Swansea is Wales' second city and has a major role and responsibility in improving the economy of the city region. I believe Swansea is well placed to take advantage of the economic recovery that is underway, but we must improve our reputation as a place to do business and develop our offer to future investors - both indigenous and those outside Wales.
- In relation to the city centre, there are a number of urgent actions that I want us to get on with in the weeks ahead.
- We will hold the city futures conference next month, capturing international talent and expertise to help finalise the strategy review work which is currently underway. This will give investors confidence that we have a credible, evidence based gameplan for the city centre's regeneration and that we will support them to deliver investment in our city.
- We also need to get on with delivering the Realising the Potential programme and secure additional funding support from Welsh Government and Europe. I realise that this programme will take many years to deliver, but our urgent priority is to secure a new development partner for the city centre redevelopment. I want us to accelerate the marketing process for key sites such as St David's Car Park. Developer interest is strengthening, and I want this Authority to take advantage of this by securing a credible development partner and fast-track the development process.
- We will adopt a more positive and pro-active approach to marketing Swansea to developers and inward investors. This will involve targeting key companies and inviting them to Swansea to see, first hand, the scale of the opportunity available. As part of this approach we will prepare a prospectus for the city centre which will clearly set out for residents, businesses and investors our new strategic thinking for the city centre, together with development opportunities. This will then be launched through a city centre event with local businesses, prospective investors and developers being invited.
- If we are to retain existing businesses and attract vital new investment to our city, we will need to play to our strengths - the international profile from the success of the Swans; the major investments being made by Swansea University; and the award winning environment that is literally on our doorstep. We will adopt a can-do attitude and will engage our local business community, in particular the Business Improvement District, to ensure the local knowledge and views are properly considered.

	<p>I am committed to working with funding partners, communities, local businesses, inward investors and developers to ensure we achieve a step change in the city centre. By working together, I am confident that Swansea City Centre has a bright future ahead.</p>
2.	<p>Councillors C A Holley, L G Thomas & J Newbury. Some Community 1st areas get additional funding through the Council's Target area policy. Will the Cabinet Member tell Council what is the proposed investment in these areas for the next two years.</p> <p>Response of the Cabinet Member for Target Areas The Target Areas are: Townhill & Castle 1 & 3 (covered by the West Cluster area) Castle - part of 2 (covered by the South Cluster area) Penderry (the North West cluster area)</p> <p>The Communities First programme has an annual allocation of funding from Welsh Government for each of the Cluster areas. This has been broadly similar each financial year since 2012/13. Additional support is received from Welsh Government's Communities First programme within the East and North West Clusters. The East cluster has an Older Person's officer, and the North West Cluster has the LIFT programme. This is a Department of Work and Pensions programme run in partnership with Job Centre Plus aimed at assisting those who are long term unemployed into learning, training and employment. The LIFT programme is an additional grant for Penderry of approximately £93k. Both of these clusters also have Communities First Engagement Officers supporting residents and particular communities to access activities within the programme.</p> <p>The proposed investment from a Communities First perspective is based on the submission of Cluster Delivery Plans, and Community Involvement plans to Welsh Government in late summer each year. The Council's submissions will have been approved requesting funding for staffing and activities in each of the cluster areas for 2015/16 of: North West Cluster - £812,098 West Cluster - £670,077 South Cluster - £643,244</p> <p>Welsh Government has indicated formally by letter that the Communities First programme will run until 2016/17. Therefore Swansea should be able to apply again in the late summer of 2015/16 for another year's funding. This is likely to be a similar amount again for each area.</p> <p>A number of streets, neighbourhoods and communities within the Target areas have received additional resources outside of the Communities First Programme. These include Education's LIFE programme, access to Promoting Inclusion, a push on Restorative Practice, the Housing Capital refurbishment programme etc. The Council's resources in many of these areas have been spent on areas of need, supporting people who are vulnerable, who have a range of complex needs.</p> <p>The draft Poverty Strategy which is presently out for consultation has a major theme of Targeting resources. This is based on making sure the money and the people that can help are in the right place. This would involve the development of plans to re-focus resources, moving and shifting elements of budgets and required spend into geographical areas, and/or towards specific interest groups and communities.</p>

	<p>The approach overall to the Council's spend over the next two years will be set in the normal way through the budget setting process. There are existing funding commitments, such as grant programmes in areas such as Housing and Highways.</p>
<p>3.</p>	<p>Councillors E W Fitzgerald, D G Sullivan, L James, S M Jones, K M Marsh, I M Richard & G D Walker</p> <p>In view of the enthusiasm among some councillors for renewable energy will the appropriate Cabinet Member inform Members if there are any plans for Swansea to follow the example of Bradford Council and lend money to schools to place solar PV panels on their roofs?</p> <p>Response of the Cabinet Member for Sustainability</p> <p>At this time there are currently no specific plans for the Council to lend money to schools for installing Solar PV systems.</p> <p>Alternative solutions within the City & County of Swansea (CCoS) will promote the installation of Solar Photovoltaic (PV) systems on Council facilities via the following arrangements:</p> <ol style="list-style-type: none"> 1. The Welsh Purchasing Consortium (WPC) Solar PV framework 2. The Community Renewable Energy & Enterprise Scheme <p><u>1. Welsh Purchasing Consortium (WPC) Solar PV framework</u></p> <p>A WPC Solar PV framework is currently being developed to select specialist Solar PV installers to supply systems within the 19 Local Authorities in Wales.</p> <p>This contract will include Solar PV systems on both domestic and non-domestic buildings, including schools, as well as an option for Ground mounted Solar PV systems on Council owned land.</p> <p>The WPC framework will enable the supply and installation of Solar PV systems which are paid directly by a School or the alternative option where the Solar PV system is installed "free of charge" by a third party. For these contracts, commonly known as "Rent-a-Roof", the company funding the Solar PV scheme will collect the Feed-In-Tariff, with the school receiving free electricity from the Solar PV system.</p> <p>Torfaen CBC are leading the procurement process with CCoS co-ordinating the Technical support work. Timescales for completing the tender process are late 2014 with a view to commencing Solar PV installations in Spring /Summer 2015.</p> <p><u>2. Community Renewable Energy & Enterprise Scheme (CREES)</u></p> <p>The CREES scheme is to develop Community renewable energy projects in the Priority One Target Areas, where local people benefit from the renewable energy produced. The project aims to act as a platform to help build capacity, credibility and confidence to the point where the community are able to develop further schemes to address their local needs by enabling them to generate an income out of their environmental assets as well as promote economic growth and job creation.</p> <p>An initial high level scoping exercise identified Solar PV as offering the best potential for meeting the initial CREES objectives. A detailed feasibility study confirmed that a community Solar PV scheme is viable within the Target Areas.</p>

	<p>Phase 1 of CREES is to develop a community Solar PV scheme on CCoS non-domestic properties in the Target Areas, including schools. Key actions and timescales have been identified to establish the project delivery mechanism along with the costs, associated benefits and the risk factors involved.</p> <p><u>Suitable Schools</u> All Schools within CCoS have been mapped for their potential suitability within the WPC framework or CREES. Suitable schools were classed as those with South, South West or South East facing roofs, which will provide a reasonable return on investment. The final selection of school buildings will be subject to further detailed structural and electrical surveys.</p>
--	--

PART B

1.	<p>Councillors A M Day, C L Philpott & P M Meara. Will the Cabinet Member tell Council when we are going to see the proposals for next phase of school rebuilding?</p> <p>Response of the Cabinet Member for ?? The Capital Budget Report to Council on the 18th February 2014 clearly set out the challenging financial and budget outlook, the agreed funding strategy, and the consequent need to consider carefully future phases of the programme. At the current time considerable work is being undertaken to continue to progress the phase 1 schemes identified and further schemes will be brought forward as funding is confirmed.</p>
----	---

Scrutiny Dispatches

City & County of Swansea – September 2014

Scrutiny enables councillors who are not in the cabinet to examine the quality and effectiveness of services and policies, hold decision makers to account and make recommendations for improvement

How can we increase inward investment to Swansea and the City Region?

(Lead: Councillor Jeff Jones)

The Inward Investment Scrutiny Inquiry Panel completed its look at investment into Swansea and the City Region and presented its final report to Cabinet on 26 August. The Scrutiny Inquiry found that Swansea has many assets that could potentially encourage investment to the area, for example its natural beauty, superfast broadband, good transport links, relatively low property and rental costs, a ready labour force, and facilities for training, research and development through our Universities and colleges locally. However, it highlighted that work needs to be done to pro actively encourage investment and currently the resources to do so are limited, recognising that this could potentially be addressed through the new City Regions Strategy. The Panel believed that we need to do more work with other organisations and local business to increase our resource and skills base in order to have a wider reach.

The inquiry took place over a six month period and took evidence from a wide selection of interested parties, including a survey of staff, local business, other public sector organisations and councillors. The Panel spoke to the Cabinet Member for Regeneration and officers from the council, Swansea Bay Futures, Business Support Wales, South West Wales Chamber of Commerce, Swansea University and the General Manager from Sony UK.

The Panel has made a number of recommendations to Cabinet including:

- putting a clear mechanism in place with the new city regions strategy that will make it accountable to local politicians
- introducing a single point of contact for business / investment queries
- developing (via the city region) an effective support network including allocating resources to do pro active work around seeking inward investment (these 'resources' must be commercially aware)

The Panel's main expectations of the impact of this report is improvement in relation to:

- organisations working together
- developing a brand and selling Swansea and the region on a global stage.
- investment in the region from organisations that are going to bring the maximum benefit to Swansea

You can find a copy of this report in the scrutiny reports library on our website:

<http://www.swansea.gov.uk/index.cfm?articleid=37047>

Improving public engagement

(Lead: Councillor Joe Hale)

The Public Engagement Scrutiny Inquiry Panel is about to conclude its work. Its final report is expected to come before the Scrutiny Programme Committee at the end of September. The inquiry has been looking at how the council could improve the way it engages with the public, staff and external stakeholders. The report will detail key findings from evidence gathered and conclusions from this work, and recommendations for Cabinet. Following a presentation of the final report by the convener, Cllr Joe Hale, the Scrutiny Programme Committee will be asked to agree its submission to Cabinet for decision. More on this to follow!

Scrutiny Annual Report for 2013/14 and looking forward

(Lead: Councillor Mike Day)

Every year Council requires that an annual report is produced for the work of scrutiny for the previous municipal year. The Scrutiny Annual Report for 2013/14 will be presented to Council on 30 September. The report highlights the work carried out by scrutiny, shows how scrutiny has made a difference, and supports continuous improvement for the scrutiny function. You can find a copy in the reports library on our website.

Over the last 12 months scrutiny has gained greater national significance. Both the Welsh Government and the Wales Audit Office have pointed to a greater role for scrutiny if it can demonstrate effectiveness. The last year has been a year of bedding in for scrutiny in Swansea. The new system has now become established. While Scrutiny Performance Panels have been getting to grips with their work, and working groups have been dealing with one-off issues, the first in depth Scrutiny Inquiry Panels have been making their recommendations to Cabinet. Swansea's Scrutiny arrangements have also been receiving recognition from outside the Council. Looking forward our key theme for the year ahead is impact!

Working with Audit, Inspectors and Regulators

The recent Wales Audit Office Annual Improvement report makes a number of references to scrutiny. It recognised that the Council's scrutiny arrangements are becoming more established but one issue highlighted was about the public information available in advance of panel meetings. We have responded by publishing a monthly meetings list for scrutiny, including all panel and working group meetings. In addition, individual posts seeking public involvement are published on the scrutiny blog for specific meetings. Members of the public are invited to contact us to observe meetings or to receive more information on any of this informal work.

We look forward to the upcoming in-depth corporate governance review which will look further at the impact of the Council's scrutiny arrangements. The committee is also taking steps to consider the Auditor General for Wales' report called 'Good Scrutiny? Good Question!'. This national study makes a number of recommendations. The committee is meeting with Tim Buckle, from the Wales Audit Office, to consider the report in more detail, identify learning points and consider implications for scrutiny practice in Swansea. Amongst improvements identified the report calls for scrutiny to be aligned more closely with external audit, inspection and review.

Scrutiny Work Programme

The committee has adopted a new approach: with every piece of scrutiny work suggested for inquiry starting off as a 'working group' – an in-depth inquiry will only follow if the group agreed it was necessary and could suggest appropriate terms of reference to the committee. The 'working group' approach will involve a detailed presentation of the subject matter at the outset which will enable opinion and proposals to be submitted to cabinet member(s) at that point, with no further work needed, or help inform the focus of any inquiry. This should enable more focused and potentially quicker pieces of scrutiny. It will provide flexibility to deal with things in different ways rather than follow a rigid in-depth inquiry process, depending on the issue. It could also improve impact as the experience of recent working groups have shown more impact with a single hit than some of the in-depth pieces of work. The first 2 pieces of work that will follow this approach will be potential inquiries into: Transforming Adult Social Services; and Corporate Culture.

Connect with Scrutiny:

Room 3.3.7, Civic Centre, Swansea. SA1 3SN (Tel. 01792 637732)

Web: www.swansea.gov.uk/scrutiny

Twitter: @swanseascrutiny

Email: scrutiny@swansea.gov.uk

Blog: www.swanseascrutiny.co.uk

Like us on Facebook: www.facebook.com/swanseascrutiny