

# CITY AND COUNTY OF SWANSEA

## NOTICE OF MEETING

You are invited to attend a Meeting of the

## COMMUNITIES CABINET ADVISORY COMMITTEE

**At:** Committee Room 3, Civic Centre, Swansea

**On:** Thursday, 9 February 2017

**Time:** 2.00 pm

**Chair:** Councillor Bob Clay

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### Membership:

Councillors: J E Burtonshaw, U C Clay, A M Cook, N J Davies, T J Hennegan, Y V Jardine, M B Lewis, R D Lewis and G J Tanner

## AGENDA

Page No.

- 1 **Apologies for Absence.**
- 2 **Disclosures of Personal and Prejudicial Interests.**  
[www.swansea.gov.uk/disclosuresofinterests](http://www.swansea.gov.uk/disclosuresofinterests)
- 3 **Minutes:** 1 - 7  
To approve & sign the Minutes of the previous meeting(s) as a correct record.
- 4 **Energy Company Options - Presentation by Richard Evans and Tony Lawson.**
- 5 **Work Plan 2016-2017.** 8

**Next Meeting:** Thursday, 9 March 2017 at 2.00 pm



**Huw Evans**  
**Head of Democratic Services**  
**Thursday, 2 February 2017**

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**Contact: Democratic Services - Tel: (01792) 636923**

## CITY AND COUNTY OF SWANSEA

### MINUTES OF THE COMMUNITIES CABINET ADVISORY COMMITTEE

HELD AT COMMITTEE ROOM 5, GUILDHALL, SWANSEA ON  
THURSDAY, 10 NOVEMBER 2016 AT 2.00 PM

**PRESENT:** Councillor R A Clay (Chair) Presided

<b>Councillor(s)</b>	<b>Councillor(s)</b>	<b>Councillor(s)</b>
J E Burtonshaw	U C Clay	A M Cook
N J Davies	T J Hennegan	Y V Jardine
M B Lewis	R D Lewis	G J Tanner

**Also present:**

Councillor W Evans – Cabinet Member for Anti-Poverty and Communities  
Councillor A S Lewis – Cabinet Member for Next Generation Services  
Councillor S E Crouch – Chair of Tackling Poverty Scrutiny Inquiry Panel  
Councillor Paul Meara  
Mr K Ross – Swansea Community Energy & Enterprise Scheme (SCEES)

**Officer(s)**

T Shaw	Energy Manager
S Woon	Democratic Services Officer

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

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

27 **MINUTES:**

**RESOLVED** that the minutes of the Communities Cabinet Advisory Committee held on 20 October, 2016, be approved and signed as a correct record.

28 **ENERGY STRATEGY ACTION PLAN UPDATE.**

The Chair introduced the Energy Strategy Action Plan and circulated the latest version. He referred to the update document provided by Officers contained with the agenda pack.

He suggested that a Task and Finish Group be established to undertake all the work the Committee had been requested to undertake on the recommendation of the Director of Place concerning the Council's Energy Strategy. Members noted that no designated Officer support had been allocated to support Cabinet Advisory Committee Task and Finish Groups.

Members noted that the Task and Finish Group's recommendations would need to be reported back to the Committee at the appropriate time. The use of a Task and

Finish Group would ensure that Members can give these topics the full attention that their importance deserves. It would also make it easier to informally co-opt expertise and ensure that those participating had chosen to give this work some priority.

The Task and Finish Group could be sub-divided into more than one Group if that seemed useful at some future point.

He stated that it was his understanding that both the Cabinet Member and the key Officers were happy with this approach.

Members noted that the matters that the Committee had been asked to look at could be cross referenced to the 'Energy Strategy Action Plan'. The specific items are as follows:

1. **ES 1.7:** although the budget referred to is fully committed for the 16/17 year, it could be available to pursue further some of the ideas that the Committee recommends. The estimate at the moment is about £60K, which is small but not insignificant.
2. **ES 2.1:** What role might Solar, Wind, Hydrogen & other renewables play in the overall strategy ? (See also ES 3.5a)
3. **ES 2.1a:** We will investigate and discuss "storage" as a key element of the overall strategy.
4. **ES 2.2:** We are invited to tackle the whole question of biomass and potential installation in Council owned assets.
5. **ES 3.2:** concerns the merit of District heating schemes with one particular project to be explained by the officers.
6. **ES 3.5a:** This is an enormous challenge, and arguably the most important single strand of our work. For "Barrage Capacity" read "Tidal Lagoon." We will need some assistance from external expertise.
7. **ES 4.1:** It is difficult to see how the various strands that we are investigating can be divorced from the key issue of our own Energy Company and it is an issue that we are bound to address in the course of our work.
8. **ES 5.4 & 5:** These might be regarded as fundamental questions that should be considered alongside all the other work. With all due respect to the time-lines (already exceeded) there is a danger of speculating theoretically without taking evidence of viability into account.

Members discussions included the development of biomass; capturing of methane gas at Tir John; district heating schemes; development of a business plan in respect of food waste; the need for tenancy agreements and tenancy training in respect of living in a passiv haus; floating power stations; clarification regarding the definition of 'an energy self-sufficient City'ed the areas of work detailed and it was noted that

areas of a cross cutting nature could be extended to other Cabinet Advisory Committees to participate in.

In response to a Member question, the Energy Manager stated that she would seek clarification regarding the £60k identified in ES1.7 and whether this money could be spent on obtaining technical and professional expertise.

**RESOLVED** that the:

1. Matters relating to item **ES 2.3a**: (Concerning methane and other potential products of landfill and is referenced specifically to the Tir Jon site) be **DEFERRED** to a later date as the development of collaborative working with neighbouring local authorities was ongoing;
2. **ES2.4b** (exploring future opportunities on a case by case basis depending upon infrastructure and government subsidies) be **INCLUDED** on the work plan for a progress update in the future as Officers were in the process of working on this issue;
3. The Energy Manager provide an appropriate Officer to be available to assist the Task and Finish Group;
4. Keith Ross (Frack Free Wales) produce a note regarding the choices available in relation to the Authority being fossil fuels free by 2025;
5. Committee Members to advise the Democratic Services Officer if they wish to participate in the Task and Finish Group

29 **JRF DOCUMENT 'WE CAN SOLVE POVERTY IN THE UK'.**

The Chair referred to discussions at previous meetings and reiterated the need to avoid duplication when examining issues that other Council bodies were looking at.

The Welsh version of the Joseph Rowntree Foundation (JRF) document 'Prosperity without Poverty: Framework for Action in Wales' was circulated to Members.

The Chair welcomed Councillor S E Crouch to the meeting and advised that the Tackling Poverty Scrutiny Inquiry Panel had been tasked with examining the Council's Tackling Poverty Strategy. In order to avoid duplication, the Overview and Scrutiny Manager had suggested that the Committee examine the recommendations of the Tackling Poverty Scrutiny Inquiry Panel following Cabinet's consideration in order to examine the implications of taking the findings forward.

Councillor S E Crouch agreed to the action proposed and stated that the Panel had not spent time looking at the existing strategy to determine whether the strategy is working. Members noted that the Panel had been presented with lots of evidence and were looking at what might be done in the future.

The Chair sought Member comments in respect of the JRF document:

1. The document contains recommendations that are not within the control of the local authority;
2. The case study relating to Leeds City Council is worthy of consideration;
3. The Council is leading in respect of affordable housing;

4. The recent change of direction of the Welsh Government with poverty enshrined in three targets around employment, early years and empowerment and the changes to Communities First need to be reflected in the document;
5. The current strategy looks like a strategy for the Poverty and Prevention Team. Renewable scheme in Sandfields; NEETS; Apprenticeships, the document should look like what every part of the Council is doing. Align with Public Services Board. Education, good employment, good housing, developing skills and developing capacity;
6. Need to look at wider poverty strategy and partnership working. Income cause of poverty, need well paid jobs;
7. Like emphasis on employment, but nothing about generating employment, nothing about what the obstacles are to setting up a small business (government legislation, human resources issues etc);
8. Need to examine the implications of a citizens wage in order to break away from the benefits system;
9. The Council need to ensure that they are a genuine 'living wage employer' and ensure this practice is adhered to when tendering services out to the private sector;
10. The JRF document contains a lot of global and national policy. The Council could do the living wage but it would come at a cost and this would need to be balanced against existing budgetary constraints;

**RESOLVED** that:

1. The recommendations arising from the Tackling Poverty Scrutiny Inquiry Panel be included in the work plan following consideration by Cabinet; and
2. The Chair write to the Cabinet Member for Anti-Poverty and Housing detailing the Committee's views regarding the JRF document.

30 **WORK PLAN 2016-2017.**

The Chair requested that a site visit to Housing Options and lettings contracts for new Council houses be discussed at the meeting on 8 December, 2016.

The meeting ended at 3.39 pm

**CHAIR**

## CITY AND COUNTY OF SWANSEA

### MINUTES OF THE COMMUNITIES CABINET ADVISORY COMMITTEE

HELD AT COMMITTEE ROOM 5, GUILDHALL, SWANSEA ON  
THURSDAY, 12 JANUARY 2017 AT 2.00 PM

**PRESENT:** Councillor R A Clay (Chair) Presided

**Councillor(s)**  
J E Burtonshaw  
T J Hennegan

**Councillor(s)**  
U C Clay  
Y V Jardine

**Councillor(s)**  
A M Cook  
R D Lewis

**Officer(s)**

M Hawes  
S Woon

Director of Resources / Section 151 Officer  
Democratic Services Officer

**Apologies for Absence**

Councillor(s): N J Davies, M B Lewis and G J Tanner

Apologies for absence were also received from Councillor A S Lewis, Cabinet Member for Next Generation Services.

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

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

32 **MINUTES:**

**NOTED** that the previous meeting was inquorate.

33 **FINANCING OUR NEW HOUSE BUILDING: PROBLEMS AND OPPORTUNITIES.**

Mike Hawes, Director of Resources, stated that there were many complexities surrounding the financing of new house building. Legislation in England differed from Wales therefore any legal advice provided to English local authorities could not be re-badged and utilised by the 11 Welsh Local Authorities (the remainder of the Welsh local authorities had previously transferred their housing stock).

He stated that he had been liaising with colleagues in Carmarthen Council to gain an understanding on their progress. Whilst contact had been made with the remaining 10 Welsh authorities to ascertain their progress, responses were outstanding.

By way of background he stated that local authorities were driven by statute and must therefore have the statutory backing in order to make any decisions. 'Promotion of Wellbeing' as detailed in the Local Authority Act 2000 provided local authorities with powers to act in the best interests of local tax payers. Promotional Wellbeing was also included in the promotion of affordable and social housing. There were two other acts which were applicable in this context, the Localism Act

2011, which provided a general power of competence for the wellbeing of taxpayers (whilst this was not applicable in Wales different legislation for Wales would provide similar provision) and the Local Authority Act 2003 which provided local authorities with the ability to undertake trading activities (albeit via an 'arms length' company). It was noted that advice was currently being sought as to whether the term 'trading' included the ability to build houses and to seek clarification on the complex legal issues generally.

In response to Member questions the Director of Resources stated that:

- a) The Authority could not borrow more than £6m for new build purposes at this particular point in time;
- b) Following the implementation of the Welsh Quality Housing Standard in 2020, the surplus that would previously have been spent on repairs and maintenance from the Housing Revenue Account (HRA) could be used to pay off debts/contribute directly to new house build;
- c) Promotional Wellbeing (Local Authority Act 2000) also included the promotion, not provision, of affordable and social housing. There was little advice to suggest that this Act would allow for house building at this particular time;
- d) The Housing Act 1985 provided local authorities special powers to erect, acquire, convert, enlarge, repair, alter or dispose of land for social housing purposes. All these activities were to take place within the ring-fenced HRA. The legislation did not allow the Authority to cross subsidise from other accounts and it was unlawful for the HRA to transfer money to different accounts;
- e) It may be feasible for the Authority to build under HRA with a partial ownership scheme. Additionally, when the building was sold it would be a capital receipt and an element of the receipt might be payable to the Welsh Government. Challenges were currently ongoing regarding that legal opinion;
- f) It is potentially legal to sell below the market value in order to provide affordable housing to, for example, first time buyers. However, the Authority must have the permission of the Wales Audit Office;
- g) The Authority would need to be clear on the rationale for utilising the General Fund to finance mixed ownership and Welsh Local Authorities do not believe they have the power to build. One option was to examine the use of housing companies which would be at 'arms length'. Notwithstanding, this approach created different types of control issues in so far as the company could not be controlled by the Council and any rents/responsibilities could not fall to the Council. This in turn resulted in the houses not being classed as 'council houses';
- h) Whilst the Authority had the power to pay someone's rent under homelessness powers, they do not have the apparent power under the General Fund to build houses;
- i) There are issues relating to the potential sale/transfer of Local Authority land (including General Fund) to such a company, based on value (anything below market value would require approval, including accounting for stamp duty, land tax, corporation tax and disposal);
- j) For any capital contribution in any way, issues would need to be resolved around prioritising and Councils ability to manage debt;

- k) The issues are not simply associated with the cost of construction, there were also matters in relation to what the land would be worth. If the land was leasehold then that would be classed as a capital asset, albeit a deferred asset;
- l) General Fund land could potentially be swapped with HRA land; that would be based on equivalent value or adjusting payment;
- m) Building within the HRA for resale has the potential to conflict with the current suspension of tenants right to buy;
- n) There are potential capitalisation directive powers available from Welsh Government but none are currently available. In any case those powers simply give authority to borrow and would not cover debt financing charges;
- o) Section 106 agreements relating to social housing provision needs examined as a potential source of funding.

The Chair thanked the Director of Resources for his informative presentation.

**RESOLVED** that:

- 1. The Director of Resources provide a future update in respect of the use of the General Fund for the provision of affordable housing;
- 2. The Director of Resources provide a future update in respect of Section 106 agreements and Developers contributions to Council houses in Swansea.
- 3. The presentation be **NOTED**.

34 **WORK PLAN 2016-2017.**

The Chair presented an updated Work Plan 2016/2017.

**RESOLVED** that:

- a) The Committee receive a presentation from Local Partnerships (a Welsh Government sponsored organisation) at the meeting scheduled for 9 February, 2017; and
- b) A special meeting be convened to consider Passiv Haus Tenants' Welcome Pack.

The meeting ended at 3.30 pm

**CHAIR**



# Agenda Item 5

## COMMUNITIES CABINET ADVISORY COMMITTEE WORK PLAN 2016 - 2017

09/06/16	<b>Reviewing the Tackling Poverty Strategy</b> – Sarah Crawley
14/07/16	<b>Tenancy Support Unit</b> – Jody Davies, Tenancy Support Unit
15/09/16	<b>More Homes Strategy</b> – Dave Evans, Service Manager (Policy) & Carol Morgan, More Homes Development Manager
20/10/16	<p><b>Food Enterprise</b> – Jane Whitmore &amp; Amanda Owen (Poverty &amp; Prevention) &amp; Gemma Lelliott – (Commercial Services) is also to attend for this item).</p> <p><b>Anti-Poverty Issues</b> - Jane Whitmore &amp; Anthony Richards (Poverty &amp; Prevention) will lead a discussion on prioritising the following areas of work: Community Growing; Community Buildings Strategy; Employee Pledge on Volunteering; Tackling Poverty Research from other Authorities; JRF document ‘We can solve poverty in the UK’.</p>
10/11/16	<p><b>Energy Strategy Action Plan Update</b> –Terri Shaw (Energy Manager) &amp; Andrew Shaw (Group Leader).</p> <p><b>JRF document ‘Prosperity without Poverty: Framework for action in Wales</b> – Member discussion.</p>
08/12/16	Meeting inquorate.
12/01/17	Financing our New Housebuilding: Problems and Opportunities – Mike Hawes, Director of Resources.
09/02/17	Energy Company Options - Presentation by Richard Evans and Tony Lawson.
09/03/17	Tackling Poverty Scrutiny Inquiry Panel Recommendations
13/04/17	
ITEMS TO BE SCHEDULED (but no specific dates agreed)	<ul style="list-style-type: none"> <li>• Ward Member involvement in Tackling Poverty in Penderry – Cllr Hennegan.</li> <li>• Update on Restructuring of Communities First.</li> <li>• Welfare Reform &amp; Financial Inclusion – Poverty and Prevention Unit.</li> <li>• Food Enterprise Update.</li> <li>• Update on ES2.3a (Energy Strategy Action Plan) Explore interaction between energy and waste work streams to develop opportunities and project delivery (Methane gas at Tir John).</li> <li>• Explore future opportunities on a case by case basis depending upon infrastructure and government subsidies.</li> <li>• Passivhaus Welcome Pack</li> </ul>