

Council

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, Guildhall, Swansea on Thursday, 26 October 2017 at 5.00 pm.

The following business is proposed to be transacted:

1. **Apologies for Absence.**
2. **Disclosures of Personal and Prejudicial Interests.**
www.swansea.gov.uk/disclosuresofinterests
3. **Minutes.** 1 - 11
To approve & sign the Minutes of the previous meeting(s) as a correct record.
4. **Written Responses to Questions asked at the Last Ordinary Meeting of Council.** 12 - 14
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. **Standards Committee Annual Report 2016-2017.** 15 - 19
10. **Mid Term Budget Statement 2017/18. (Verbal Update)**
11. **Review of Revenue Reserves.** 20 - 42
12. **Proposal to Pass a New Resolution Not to Issue Casino Licences and Proposed Amendments to the Council's Gambling Policy.** 43 - 57
13. **Amendments to the Constitution.** 58 - 62
14. **Membership of Committees.** 63 - 64
15. **Councillors' Questions.** 65 - 72

Huw Evans

**Huw Evans
Head of Democratic Services
Guildhall,
Swansea.**

Tuesday, 17 October 2017

To: All Members of the Council



City and County of Swansea

Minutes of the Council

Council Chamber, Guildhall, Swansea

Thursday, 28 September 2017 at 3.30 pm

Present: Councillor D W W Thomas (Chair) Presided

Councillor(s)

C Anderson
M C Child
W Evans
L S Gibbard
D W Helliwell
P R Hood-Williams
M H Jones
L R Jones
E T Kirchner
W G Lewis
I E Mann
C L Philpott
K M Roberts
P B Smith
D G Sullivan
M Thomas
T M White

Councillor(s)

P M Black
M Durke
E W Fitzgerald
K M Griffiths
T J Hennegan
O G James
S M Jones
J W Jones
M A Langstone
A S Lewis
P N May
S Pritchard
B J Rowlands
R V Smith
L G Thomas
G D Walker

Councillor(s)

J E Burtonshaw
C R Evans
R Francis-Davies
J A Hale
C A Holley
L James
P Jones
E J King
M B Lewis
C E Lloyd
H M Morris
J A Raynor
M Sherwood
R C Stewart
W G Thomas
L V Walton

Apologies for Absence

Councillor(s): S E Crouch, J P Curtice, N J Davies, A M Day, S J Gallagher, B Hopkins, D H Hopkins, R D Lewis, P Lloyd, D Phillips, C Richards, A H Stevens, G J Tanner and L J Tyler-Lloyd

66. Disclosures of Personal and Prejudicial Interests.

The Head of Legal, Democratic Services and Business Intelligence 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 no interests were declared.

67. Recruitment and Selection Training.

The Head of Human Resources provided Recruitment and Selection training.

Resolved that the training be noted.

68. Exclusion of the Public.

Council was requested to exclude the public from the meeting during the consideration of the item(s) of business identified in the recommendation to the report on the grounds that it involved the likely disclosure of exempt information as set out in the exemption paragraph of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, relevant to the item(s) of business set out in the report.

Council considered the Public Interest Test in deciding whether to exclude the public from the meeting for the item(s) of business where the Public Interest Test was relevant as set out in the report.

Resolved that the public be excluded for the following items of business.

(Closed Session)

69. Appointment of Corporate Director of Place.

The Head of Human Resources stated that the Appointments Committee had interviewed 2 candidates for the role of Corporate Director of Place. The Appointments Committee recommended that only one candidate be interviewed by Council.

The candidate provided a 10 minute presentation and answered a number of prepared questions.

Resolved that Martin Nicholls be appointed Corporate Director of Place.

The meeting ended at 4.10 pm

Chair



City and County of Swansea

Minutes of the Council

Council Chamber, Guildhall, Swansea

Thursday, 28 September 2017 at 5.00 pm

Present: Councillor D W W Thomas (Chair) Presided

Councillor(s)	Councillor(s)	Councillor(s)
C Anderson	P M Black	J E Burtonshaw
M C Child	S E Crouch	N J Davies
C R Doyle	M Durke	V M Evans
C R Evans	W Evans	E W Fitzgerald
L S Gibbard	K M Griffiths	J A Hale
D W Helliwell	T J Hennegan	C A Holley
P R Hood-Williams	B Hopkins	O G James
L James	Y V Jardine	M H Jones
S M Jones	P Jones	L R Jones
J W Jones	E J King	E T Kirchner
M A Langstone	M B Lewis	R D Lewis
W G Lewis	A S Lewis	C E Lloyd
I E Mann	P M Matthews	P N May
H M Morris	C L Philpott	S Pritchard
A Pugh	J A Raynor	K M Roberts
B J Rowlands	M Sherwood	R V Smith
R C Stewart	D G Sullivan	M Sykes
L G Thomas	W G Thomas	M Thomas
G D Walker	L V Walton	T M White

Apologies for Absence

Councillor(s): J P Curtice, A M Day, R Francis-Davies, S J Gallagher, D H Hopkins, P Lloyd, D Phillips, C Richards, P B Smith, A H Stevens, G J Tanner and L J Tyler-Lloyd

70. Disclosures of Personal and Prejudicial Interests.

The Head of Legal, Democratic Services and Business Intelligence 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:

- 1) Councillors M C Child, L S Gibbard, J W Jones, R D Lewis, C L Philpott and R V Smith declared a Personal Interest in Minute 79 "Statement of Accounts";
- 2) Phil Roberts (Chief Executive) declared a Personal and Prejudicial Interest in Minute 85 "Electoral Reform in Local Government in Wales (Questions 38-40) – Consultation Response".

71. Minutes.

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

- 1) Extraordinary Meeting of Council held on 24 August 2017;
- 2) Ordinary Meeting of Council held on 24 August 2017.

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

The Head of Legal, Democratic Services and Business Intelligence submitted an information report setting out the written responses to questions asked at the last Ordinary Meeting of Council.

73. Announcements of the Presiding Member.

1) Condolences - Former Councillor and Honorary Alderman Gordon Dennis

The Presiding Member referred with sadness to the recent death of former Councillor and Honorary Alderman Gordon Dennis. Gordon Dennis represented the Upper Loughor Electoral Ward on the City and County of Swansea and the former Lliw Valley Borough Council.

He served on the Lliw Valley Borough Council from 6 May 1987 to 31 March 1996 and the City and County of Swansea from 4 May 1995 to 5 May 1999. He was Mayor of Lliw Valley 1994-1995 and was conferred with the title of Honorary Alderman on 30 March 2000.

All present stood as a mark of sympathy and respect.

2) Swansea - UK City of Culture 2021 Bid

The Presiding Member stated that a number of Councillors and the Political Group Leaders would be slightly late attending Council this evening as they are at the National Waterfront Museum to show cross party support for the submission of Swansea's – UK City of Culture 2021 electronic Bid to the Department of Digital, Media and Sport in London.

He stated that Councillors could also play a significant role in supporting the campaign and spreading the message across the City and County by taking a number of vinyl window stickers and asking local businesses to display them as part of Swansea's Backing the Bid campaign.

All Council venues have already been covered such as Libraries, Leisure Centres, Community Buildings etc.

3) Association for Public Service Excellence (APSE) – Annual Service Awards 2017 – Best Service Team of the Year - Waste Management & Recycling Service

The Presiding Member congratulate Chris Howell and his Team for being awarded the APSE Best Service Team of the Year - Waste Management & Recycling Service. The award was for the highly innovative and successful transformation of the Council's Recycling Centres.

Instead of closures, the Team chose to convert the 3 smaller, poor performing sites into Recycling and Re-use Centre's only, and prohibit recyclable materials from the residual skips at the Llansamlet and Clyne sites. This has seen residual waste destined for landfill reduced by over 80%, and their combined recycling rate increase from 55% to nearly 90%.

Chris Howell was present to receive the award.

4) Association for Public Service Excellence (APSE) – Annual Service Awards 2017 – Best Service Team of the Year - Highways, Winter Maintenance and Street Lighting Service

The Presiding Member congratulate Stuart Davies and his Team for being awarded the APSE Best Service Team of the Year - Highways, Winter Maintenance and Street Lighting Service. The award was for the Highways & Transportation Service with a particular focus on the PATCH and Pothole initiative as well as some of the street lighting improvements.

Official statistics demonstrated Swansea Council had one of the best kept road networks in Wales, but the reputation on potholes amongst residents was poor, believing that pothole reports were being ignored and that they were not fixing them fast enough. Changing public perception about the Highways Service was all about shifting sentiment, the power of social media sent a clear message that the public weren't happy and the goal was to convert this to positive feedback going forward.

The Highways Team's solution was to directly tackle the perception to using an easy reporting mechanism that would guarantee a repair within 48 hours and a response with photographs for each notification where email provided.

The focus was on information, making contacts easy and giving good responses reacting as a service for customers rather than as a custodian of a public asset.

Since the launch of the 48-hour pothole repair pledge last summer almost 3,000 holes in the road have been fixed within two days of being reported (with 93% customer satisfaction). And the commitment to the pledge has helped see the total number of road repairs over the last 12 months soar to more than 11,200.

Bob Fenwick was present to receive the award.

5) The Queen's Awards for Enterprise

The Presiding Member stated that the Queen's Award for Enterprise was a prestigious UK award and is given to Companies or Individuals who are outstanding in their field. The Awards are split across four categories namely: Innovation, International Trade, Sustainable Development and Promoting Opportunity through Social Mobility.

Cyfle Building Services is a Multi Award Winner Regional Shared Apprenticeship Scheme in the construction industry and across South West Wales.

The initiative supported by the Construction Industry Training Board (CITB), the Welsh Government and various stakeholders operates within five regional Local Authority boundaries of and is supported by, the City & County of Swansea, Carmarthenshire, Ceredigion, Pembrokeshire, and Neath Port Talbot Councils.

He congratulated the Authority's Corporate Building Services, a founder member of Cyfle for being recognised for its active and ongoing involvement, at both grass root and Board levels, with the award of this commemorative bowl.

Chris Cutforth was present to receive the award.

74. Announcements of the Leader of the Council.

1) Martin Nicholls – Corporate Director of Place

The Deputy Leader of the Council congratulated Martin Nicholls on his appointment earlier that day as Corporate Director of Place.

2) APSE & Queen's Award

The Deputy Leader of the Council echoed the congratulations previously given by the Presiding Member for the awards received and paid tribute to all Council Officers for their dedication and support.

3) Swansea – UK City of Culture Bid

The Deputy Leader of the Council congratulated all of the Officers involved in assisting with the preparation of the UK City of Culture Bid for Swansea. It was a Team Swansea approach and very pleasing to note that it had total cross party support.

4) Tidal Bay Lagoon, Swansea

The Deputy Leader of the Council stated that there was still no news from UK Government regarding the sign off of the Tidal Bay Lagoon, Swansea; however it was pleasing to note that it had been mentioned positively at the recent Labour Party Conference and at the recent Liberal Democrats Party Conference.

The Leader of the Conservative Group also pledged his Group's full support to the project and indicated that he would be raising it with the Prime Minister on the weekend.

75. Public Questions.

No questions were asked by members of the public.

76. Public Presentation - None.

No Public Presentations were received.

77. Report of the Wales Audit Office – Audit of Financial Statements Report – City & County of Swansea.

Geraint Norman and David Williams, Wales Audit Office (WAO) presented the "Wales Audit Office, Audit of Financial Statements Report 2016-2017 for the City and County of Swansea".

Geraint Norman (WAO) responded to questions of a technical nature whilst Ben Smith (Section 151 Officer) responded to questions relating to the position of the City and County of Swansea.

Resolved that:

- 1) The Final Letter of Representation be approved and signed;
- 2) The statement be approved.

Note: Councillor P M Black referred to page 26 of the Council Summons and asked: *"Appendix 4 states that the Council holds the deeds for a number of assets but these have yet to be registered with the Land registry. How much of the Authorities land has not been registered?"*

The Section 151 Officer stated that a written response would be provided.

78. Report of the Wales Audit Office – Audit of Financial Statements Report – City & County of Swansea Pension Fund.

Geraint Norman and David Williams, Wales Audit Office (WAO) presented the “Wales Audit Office, Audit of Financial Statements Report 2016-2017 for the City and County of Swansea Pension Fund”.

Geraint Norman (WAO) responded to questions of a technical nature whilst Ben Smith (Section 151 Officer) responded to questions relating to the position of the City and County of Swansea.

Resolved that:

- 1) The Final Letter of Representation be approved and signed;
- 2) The statement be approved.

79. Statement of Accounts 2016/17.

The Section 151 Officer submitted a report which detailed the timescale involved in the completion and audit of the Council’s Statement of Accounts for 2016-2017. He advised that in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014, the Council had to approve the Statement of Accounts 2016-2017 on or before 30 September 2017.

Resolved that the 2016-2017 Statement of Accounts be approved.

Note: Councillor P M Black asked the following questions:

- 1) *“Page 139 of the Statement of Accounts 2016-2017 refers to Care Home Fees. Can the Section 151 Officer explain the issue and the costs associated with it?”*
- 2) *“Page 140 of the Statement of Accounts 2016-2017 refers to Bay Leisure Limited (Swansea). Is the fund amount sufficient to cover any maintenance budget issues?”*

The Section 151 Officer stated that a written response would be provided.

80. Treasury Management Annual Report 2016/17.

The Section 151 Officer submitted an information report which detailed the Council’s Treasury Management activities during 2016-2017 and compared actual performance against the strategy laid down at the start of the year.

81. The First 100 Days and Beyond.

The Leader of the Council Officer submitted a for information report which recorded the achievements and successes of Swansea Council during its first 100 days following the election on 4 May 2017 and detailed the proposals for action in the next few months and beyond.

82. Appointment of Independent Member(s) to the Standards Committee.

The Head of Democratic Services submitted a report which outlined the recommendation of the Standards Committee Vacancy Panel held on 4 September 2017. The recommendation being that Michaela Jones and Mike Lewis be appointed as Independent Members of the Standards Committee as of 1 October 2017.

Resolved that:

- 1) Council notes the recommendation of the Standards Committee Vacancy Panel of 4 September 2017;
- 2) Michaela Jones and Mike Lewis be appointed as Independent Members of the Standards Committee as of 1 October 2017;
- 3) Their 6 year term of office end on 30 September 2023.

83. Membership of Committees.

The Service Transformation & Business Operations Cabinet Member stated that there was one additional change to the report.

He referred to the report stating that the Leader of the Council had also made changes to the Authority's Outside Bodies as outlined below:

- 1) University of Wales Court**
Remove Councillor R Francis-Davies.

He also stated that the Leader of the Council had previously announced that Councillors J E Burtonshaw and M Sherwood share the Future Generations Cabinet Member role on a quarterly basis. Councillor J E Burtonshaw was the Cabinet Member until and including 31 August 2017 and Councillor M Sherwood has assumed the role for 3 months commencing on 1 September 2017.

Their terms of office for Cabinet and the External Funding Panel are set out below:

Councillor	From	To
June Burtonshaw	8 May 2017	31 August 2017
Mary Sherwood	1 September 2017	30 November 2017
June Burtonshaw	1 December 2017	28 February 2018
Mary Sherwood	1 March 2018	31 May 2018

Resolved that:

- 1) The report be noted;
- 2) The membership of the Council Bodies listed below be amended as follows:
 - i) **Economy & Infrastructure Policy Development & Delivery Committee**
Remove Councillor W G Thomas.
Add Councillor M A Langstone.
 - ii) **Education & Skills Policy Development & Delivery Committee**
Add Councillor M H Jones.
 - iii) **Safeguarding Policy Development & Delivery Committee**
Remove Councillor M Sykes.
Add Councillor M B Lewis.

84. Electoral Reform in Local Government in Wales (Questions 1-37 & 41-46) – Consultation Response.

The Head of Democratic Services submitted an amended report which provided a response to questions 1-37 and 41-46 of the Welsh Government consultation on Electoral Reform in Local Government in Wales by 10 October 2017. The amended report provided an agreed cross party response to 31 of the 46 questions.

Resolved that the:

- 1) Response to the Electoral Reform in Local Government in Wales be made as outlined in Appendix A of the amended report.

85. Electoral Reform in Local Government in Wales (Questions 38-40) – Consultation Response.

The Head of Democratic Services submitted a report which provided a response to questions 38-40 of the Welsh Government consultation on Electoral Reform in Local Government in Wales by 10 October 2017.

Resolved that the:

- 1) Response to the Electoral Reform in Local Government in Wales be made as outlined in Appendix A of the report.

86. Councillors' Questions.

1) Part A 'Supplementary Questions'

Nine (9) Part A 'Supplementary Questions' were submitted. The relevant Cabinet Member(s) responded by way of written answers contained in the Council Summons.

The following supplementary question(s) required a written response.

Question 5

a) Councillor C A Holley asked:

- i) "What do the Authority's advisors say in relation to enhanced retail and the City Centre?"*

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

Question 7

b) Councillor P M Black asked:

- ii) "Can the Children, Education & Lifelong Learning Cabinet Member provide a detailed breakdown of Year 10 entries for all subjects listed in the question and response?"*

The Children, Education & Lifelong Learning Cabinet Member stated that a written response would be provided.

2) Part B 'Questions not requiring Supplementary Questions'

Two (2) Part B 'Questions not requiring Supplementary Questions' were submitted.

The meeting ended at 6.31 pm

Chair

Agenda Item 4.



Report of the Head of Legal, Democratic Services & Business Intelligence

Council – 26 October 2017

Written Responses to Questions Asked At the Last Ordinary Meeting of Council

The report provides an update on the responses to Questions asked during the last Ordinary Meeting of Council on 28 September 2017.

For Information

1. Introduction

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

2. Responses

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

Background Papers: None

Appendices: Appendix A (Questions & Responses)

**Providing Council with Written Responses to Questions at Council
28 September 2017**

1.	<p>Councillor P M Black In relation to page 26 of the Report of the Wales Audit Office – Audit of Financial Statements Report – City & County of Swansea. <i>“Appendix 4 states that the Council holds the deeds for a number of assets but these have yet to be registered with the Land registry. How much of the Authorities land has not been registered?”</i></p> <p>Response of the Section 151 Officer The Council has a considerable total land and property ownership, totalling 4,693 hectares, and it is estimated that approximately 75% is registered.</p> <p>Due to the extent of the portfolio and the considerable cost that would result if all assets were registered a risk based approach is taken. All major land holdings have been registered and if there are any areas of concern they are dealt with accordingly.</p>
2.	<p>Councillor P M Black In relation to the report on the Statement of Accounts 2016/17 <i>Page 139 of the Statement of Accounts 2016-2017 refers to Care Home Fees. Can the Section 151 Officer explain the issue and the costs associated with it.</i></p> <p>Response of the Section 151 Officer This was a Judicial Review by 11 owners and operators of care homes in respect of funded nursing care. They challenged the Local Health Boards’ interpretation of s49 of the Health and Social Care Act 2001 that local authorities were responsible for paying for the work done by registered nurses in a social rather than health care setting.</p> <p>All 22 Welsh authorities were joined as interested parties with Ceredigion acting as lead authority.</p> <p>The crux of the issue was that the Boards refused to pay for non-nursing care time and other time (including stand-by time, paid breaks and time receiving supervision).</p> <p>The High court found in favour of the owners and operators in the first instance.</p> <p>The LHB’s appealed part of the judgment regarding the inclusion of services, which need not have been performed by a registered nurse. The Secretary for State for Health intervened, as an interested party in support of the LHBs. Welsh Government did not actively participate in any of the cases .The Court of Appeal (by a majority) allowed the appeal.</p> <p>The authorities then appealed to the Supreme Court. The hearing took place on 26th April 2017 and judgment was given on 2nd August 2017 .The Supreme Court unanimously allowed the appeal and held the LHB by virtue of s49 were responsible for the costs of the work undertaken by registered nurses.</p>

	<p>The authority's contribution towards the costs for legal representation in the case was £16,617.38.</p> <p>The Supreme Court has invited written representations in respect of its draft order for costs in favour of the local authorities and a final costs order is awaited. If successful the authorities should be able to recover their costs.</p>
3.	<p>Councillor P M Black In relation to the report on the Statement of Accounts 2016/17 <i>Page 140 of the Statement of Accounts 2016-2017 refers to Bay Leisure Limited (Swansea). Is the fund amount sufficient to cover any maintenance budget issues.</i></p> <p>Response of the Section 151 Officer The Council provides an annual management fee to Bay Leisure Ltd., this would include the costs of day to day repairs and maintenance. To date this has been sufficient to cover the day to day maintenance that the LC has needed. In addition to this the Council sets aside an annual sum to cover lifecycle maintenance costs. This sum was determined based on a lifecycle maintenance report done at the time of the new management arrangements. These costs are meant to be longer term (eg a twenty year cycle), and as such limited spend to date has been required from this fund. But any spend to date has been within the value of the fund, and the fund is still expected to be sufficient for any lifecycle maintenance issues that may arise.</p>
4.	<p>Councillor C A Holley In relation to Councillor Questions – Question 5. What do the Authority's advisors say in relation to enhanced retail and the City Centre.</p> <p>Response of the Leader An options review is being undertaken by Rivington land on the Phase 2 of Swansea Central to include retail and leisure uses. Brexit is providing uncertainty across the UK and has impacted the retail sector however Rivington and their team together with officers have met with a number of retail and leisure occupiers who are all expressing very positive interest in in Swansea. The positive press from the City Deal and Arena project including the selection of ATG as arena operator has raised the profile of Swansea nationally and stimulated interest in occupiers being in Swansea.</p>
5.	<p>Councillor P M Black In relation to Councillor Questions – Question 5. Can the Children, Education & Lifelong Learning Cabinet Member provide a detailed breakdown of Year 10 entries for all subjects listed in the question and response.</p> <p>Response of the Cabinet Member for Children, Education & Lifelong Learning Due to the current high workload of the data unit team and the work needed to extract the information from the system, we are unable to provide the data by the requested deadline. However, work on extracting this information from SIMS is planned. An analysis for all schools should be available by the 20 October 2017.</p>



Report of the Chair of the Standards Committee

Council – 26 October 2017

Standards Committee Annual Report 2016-2017

Purpose: This report sets out the work of the Standards Committee 2016-2017.

Report Author: Huw Evans

Finance Officer: Ben Smith

Legal Officer: Tracey Meredith

Access to Services Officer: Phil Couch

For Information

1. Introduction

1.1 The Local Government Act 2000 requires the Council to establish a Standards Committee to promote and maintain high standards of conduct and probity in the conduct of Councillors of the City and County of Swansea. The Standards Committee has been in operation since October 2000.

1.2 This Standards Committee Annual Report covers the period from 19 May 2016 to 24 May 2017.

2. Membership of Standards Committee

2.1 The Standards Committee consists of 9 members:

- 5 x Independent (Co-opted) Members;
- 3 x Councillors of the City and County of Swansea;
- 1 x Community / Town Councillor.

2.3 Membership of the Standards Committee during the period:

Independent Members	Notes
Jill Burgess	Vice Chair - 17.04.2015-06.10.2016 Chair - 07.10.2016
Gareth Evans	-

Jennifer Gomes	Ceased on 04.12.2016
Meirion Howells	Ceased on 31.07.2016
Margaret Williams	-

Community / Town Councillor	Notes
Philip Crayford	Appointed from 26.11.2015

Councillors	Notes
Joe A Hale	-
Clive E Lloyd	-
L Graham Thomas	-

3. Terms of Office - Independent Members of the Standards Committee

3.1 The term of office for Independent Members can be for not less than 4 years and for no more than 6 years. They can be reappointed for one further consecutive term but that term cannot be for more than an additional four years.

3.2 The table below shows the dates of commencement and subsequent expiry dates of membership for all Independent (Co-opted) Members of the Standards Committee. **Note:** Independent Members marked in *italics* and with “*” denotes that they are in their second term and cannot have their term extended further.

Independent Members	Appointment Terms	
	Start	End
<i>Meirion Howells</i> *	1 August 2008	31 July 2016
<i>Jennifer Gomes</i> *	5 December 2008	4 December 2016
Jill Burgess	12 October 2013	11 October 2019
Gareth Evans	1 April 2015	31 March 2021
Margaret Williams	1 April 2015	31 March 2021

4. Term of Office - Community / Town Council Member of the Standards Committee

4.1 The term of office shall be no more than 4 years or until the Ordinary Election for the Community Council of which the Community Councillor is a member, whichever is the shorter. They may be re-appointed once.

4.2 A Community / Town Council member shall not take part in the proceedings of the Standards Committee when matters relating to their Community / Town Council are being considered.

Community / Town Council Member	Appointment Terms	
	Start	End
Philip Crayford	26 November 2015	04 May 2017
	Re-appointed	6 May 2021

5. Meetings of the Standards Committee

5.1 The Standards Committee met four times during the period as follows:

3 June 2016	7 October 2016
12 July 2016	20 January 2017

6. Detail of the Work undertaken by the Standards Committee

6.1 The following paragraphs set out the work carried out by the Standards Committee during the reporting period.

7. Code of Conduct

7.1 A new Model Code of Conduct was adopted by Council at its Annual Meeting on 19 May 2016. The Monitoring Officer reported the changes to the Standards Committee on 3 June 2016.

8. Local Government Ethical Framework – New Statutory Provision

8.1 The Committee were updated on the Local Government (Standards Committees, Investigations, Dispensations and Referral) (Wales) (Amendment) Regulations 2016 came into force on 1 April 2016. The Regulations amended the following regulations:

- Standards Committees (Wales) Regulations 2001;
- The Local Government Investigations (Functions of Monitoring Officers and Standards Committee) (Wales) Regulations 2001;
- Local Authorities (Grant of Dispensations) (Wales) Regulations 2001.

9. Public Services Ombudsman for Wales (PSOW) Annual Report and Annual Letter 2015-2016

9.1 The Committee discussed the complaints contained within the Report and Letter whereby the PSOW had re-emphasised his intent that his Office is devoted to issues of real concern and not trivial complaints about the Councillors Code of Conduct.

9.2 The Committee noted that the number of Code of Conduct complaints had risen by 19. This was solely attributable to Community and Town Councils, where complaints rose by 49%.

10. Attendance at Community / Town Council Meetings by Members of the Standards Committee

- 10.1 Following liaison with a number of other Welsh Authorities, an “Attendance at Community / Town Council Meetings by Members of the Standards Committee Protocol” was adopted by the Committee. The purpose of such attendance being to assist the Committee in its wider role of Community / Town Councillors standards following the merger of the former Community / Town Council Standards Sub Committee with the Standards Committee.

11. Dispensation Regime

- 11.1 The Committee reviewed the dispensation regime, and approved amendments to the “Request for Dispensation Form” in order to simplify it and improve the guidance notes in order to reflect the legislation changes.

12. Complaints of Breach of the Code of Conduct

- 12.1 During the period 1 April 2016 to 31 March 2017 the following matters were emailed to or reported to the Standards Committee for information.

a) Complaints made but not investigated by the Ombudsman under the provisions of Section 69(2) of the Local Government Act 2000

There were 10 cases where the Ombudsman refused to investigate an alleged breach of the Code of Conduct following a complaint.

b) Investigations completed by the Ombudsman where the decision was no evidence of breach or no action taken

There were no cases where the Ombudsman investigated but found that there was no evidence of any failure to comply with the Code of Conduct.

c) Investigations undertaken by the Ombudsman where the decision was to discontinue the investigation

There were 2 cases where the Ombudsman had commenced an investigation and subsequently decided to discontinue that investigation.

d) Investigations under the provisions of Section 70 (4) of the Local Government Act 2000 – referred to the Standards Committee for consideration

Breaches of the Code of Conduct may be referred to the Monitoring Officer by the Ombudsman under the provisions of Section 69 (c) and 71(2) of the Local Government Act 2000 for consideration by the Standards Committee. Where there is a finding of a breach, public reports on such cases are published on the Council’s website.

No such referrals have been received during the period of this report.

13 Appointment of Independent Members (x2) to Standards Committee

- 13.1 Two (Meirion Howells and Jennifer Gomes) of the Co-opted Members' terms of office ended during this term. The Committee and Council paid tribute to their work over their terms of office.
- 13.2 The process also commenced to recruit and appoint replacements to the Committee; however this process continues.

14. Reports "For Information"

- 14.1 A number of reports were noted by the Committee, including the Ombudsman's Code of Conduct Casebook and the Standards Committee Annual Report 2015-2016.

15. Equality and Engagement Implications

- 15.1 There are no equality and engagement implications associated with this report.

16. Financial Implications

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

17. Legal Implications

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

Background Papers: None.

Appendices: None.

Agenda Item 11.



Report of the Section 151 Officer

Council – 26 October 2017

Review of Revenue Reserves

Purpose:	To undertake a mid-year review of the Revenue Reserves position and to agree any suggested reclassification of reserves based on current requirements.
Policy framework:	Sustainable Swansea Budget Plan 2017/18
Consultation:	Cabinet Members, Corporate Management Team, Legal and Access to Services.
Recommendations:	The recommendations made in this report at Sections 3.13 to 3.16 are considered and approved.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Sherill Hopkins

1 Introduction and context

- 1.1 Local Authorities have a corporate responsibility to operate within available resources and to remain financially sound over the short, medium and longer term.
- 1.2 One of the key tools available to Authorities in managing its affairs is the creation and use of both General and Earmarked reserves to assist in delivering services over a period longer than one financial year.

- 1.3 In terms of guidance on the review and management of reserves, the Chartered Institute of Public Finance and Accountancy (CIPFA), via the Local Authority Accounting Panel, issued a bulletin in July 2014 (LAAP 99) intended to give guidance to Local Authorities on the management and review of reserves. This bulletin is considered best practice in terms of Local Authority financial administration and effectively must be followed. A copy of the bulletin is at Appendix A to this report.
- 1.4 Within the existing statutory and regulatory framework, it is the responsibility of Chief Financial Officers to advise Local Authorities about the level of reserves that should be held and to ensure there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
- 1.5 It is the duty of the Chief Financial Officer to specifically report on the robustness of estimates and reserves when the Council considers its budget requirement, as such the Revenue Budget approved by Council in February 2017 made specific references to the adequacy of reserves at that time.
- 1.6 Notwithstanding that specific statutory requirement, it is the duty of the Chief Finance Officer to regularly review the position regarding available reserves of the Authority having specific regard to:
- The original and current need for each category of reserve held
 - An assessment of current and future risks (both operationally and financially) facing the Council
 - The impact of known and predicted funding levels likely to impact on the Council going forward.
- 1.7 Swansea Council's Chief Finance Officer (the Section 151 Officer) is the Head of Financial Services and the Service Centre.
- 1.8 This report considers the position regarding both General and Earmarked reserves as at 31st March 2017 and makes specific recommendations in respect of reclassification of elements of those specific reserves.

2. Position as at 31st March 2017

- 2.1 The draft Statement of Accounts 2016/17 presented to our external Auditors included the following entries in respect of reserves as at 31st March 2017:

Usable Reserves	£'000	Purpose
General Fund	12,360	Used as an overall contingency to cushion the impact of unexpected events or emergencies and as a means of smoothing out annual budgets where there is significant change
Earmarked Revenue Reserves	55,741	Consisting of sums set aside for specific purposes to support Corporate and Service needs

Usable Reserves	£'000	Purpose
Capital Receipts Reserve	6,092	Capital monies received by the Council set aside for funding ongoing Capital schemes per the Capital Programme. These sums are committed to current schemes and cannot be used to support Revenue expenditure
Capital Grants Unapplied Account	14,927	Relates to committed funding on Capital schemes and cannot be used to support Revenue expenditure
Housing Revenue Account	9,821	Exists to support expenditure for Housing Revenue Account purposes only and cannot be used to support General Fund Council Revenue or Capital expenditure
Total Usable Reserves	98,941	

- 2.2 In addition the Council holds a net £285.546m in unusable reserves arising purely from accounting technicalities. **These cannot be used to support revenue or capital expenditure of the Council in any form and as such are not part of this review.**
- 2.3 The HRA reserve and the Capital reserves detailed above are ring-fenced and are regularly reviewed as part of business planning. As such no further review is proposed at this time.
- 2.4 The General Fund Balance of the Council as detailed above takes account of decisions made by Cabinet based on the 2016/17 Revenue Outturn position considered on 20th July 2017.
- 2.5 Comparisons with other Welsh Councils show that, as a percentage of Gross Revenue Expenditure, the level of the General Fund reserve is slightly below the All Wales average (as at 31st March 2016) and as such no planned use of the balance is recommended.
- 2.6 The draft Statement of Accounts as presented to our external Auditors (Wales Audit Office) by 30th June included an analysis of earmarked reserves with the proviso that each reserve was subject to strategic review by the Section 151 Officer based on an analysis of current need and changing Council risks.
- 2.7 This report is the result of that strategic review.

3. Outcomes and recommendations

- 3.1 The Medium Term Financial Plan approved by Council on 23rd February 2017 forecast a cumulative deficit on General Fund Revenue Expenditure of some £61m by 2020/21 with an immediate savings requirement of £22m for

2018/19. This is in addition to the current year Directorate savings requirement of £18.7m. More recent forecasts indicate an even larger savings requirement will be likely, predominantly as a result of planned significant additional capital investment and the associated costs of increased borrowing.

- 3.2 However, there is clear and compelling evidence that savings planned in the areas of Social Services and Corporate Services are unlikely to be fully achieved in the current year, which puts future years in jeopardy.
- 3.3 To put it into context, if all planned savings for 2017/18 are achieved it still leaves a gap of £22m to be addressed for 2018/19.
- 3.4 The Council's strategy for dealing with ongoing budget reductions and Service reforms – Sustainable Swansea – is ongoing and it is clear that, whether as a result of commissioning reviews or emergency action being required to produce a balanced budget going forward, there is likely to be considerable cost in relation to change, together with potential significant investment in digital technology solutions.
- 3.5 Dealing with the cost of future structural change is a significant financial risk facing the given the scale and pace of budget reductions to be addressed by the Council.
- 3.6 Traditionally exit costs in relation to downsizing the organization has been dealt with through the use of the annual contingency fund, currently standing at an annual contribution of £5.4m. However, in 2016/17 the total exit costs exceeded the contingency fund, and similar can be expected in 2017/18. The first quarter monitoring report estimated £3.5m to be funded from the contingency fund, with a further £3.5m to be funded by the restructuring reserve if necessary. This would leave nearly £2m in the contingency fund to mitigate the effect of Directorate pressures.
- 3.7 In assessing both the level and use of Earmarked and General reserves, the LAAP bulletin sets out some of the factors that should be considered, including:-
 - The treatment of demand led pressures
 - The treatment of planned efficiency savings/productivity gains
 - The financial risks inherent in any significant new funding partnerships or changes in service delivery
 - The general financial climate to which the Authority is subject.
- 3.8 Having considered the above, and in the context of a medium term financial plan that shows ongoing and sustained budget reductions, it is the opinion of the Section 151 Officer that the Council needs to continue to prepare for significant change in service delivery that will inevitably impact on direct employment levels going forward.

- 3.9 Indications from Local Authorities in England typically suggest a reduction in the directly employed workforce of around 30% based on experience of the austerity agenda, which includes transfers where appropriate to alternative service providers and/or job losses. Current indications are that to date Swansea Council has seen reductions of around 10% in terms of FTE staffing numbers.
- 3.10 Changes on such a scale will inevitably come with substantial up-front costs and it is important at this time that the Council plans operationally and financially to meet these changes. The 2017/18 Budget Report to Council in February 2017 stated that there was an underlying planning assumption that £2m of the existing restructuring reserve be provisionally committed towards meeting part of the cost of staffing reductions as they fall due in 2017/18. The first quarter monitoring report indicates that a further £1.5m could be required (as referred to in paragraph 3.6 above)
- 3.11 As such it is vitally important that the restructuring reserve is topped up and kept at a level that will enable the Council to carry out any necessary restructuring as it transforms under the Sustainable Swansea programme. Therefore it is recommended that elements of the Transformation and Efficiency Reserve are transferred into the Restructuring Reserve to make it clear that this is the intended use.
- 3.12 The Council set aside £2.5m in a Job Evaluation reserve last year to meet the cost of settling outstanding equal pay claims during 2016/17. The full amount was utilised last year, and although there are still a few outstanding, the majority of claims have now been settled.
- 3.13 As one of the shortlisted candidates for the prestigious City of Culture award it would be prudent to set aside funding in anticipation of the spend that may be required as part of this bid. As such it is recommended that £1m pa is set aside in a separate service earmarked reserve, with effect from 1st April 2018. This will be fully taken into account, as necessary, in the forthcoming budget round.
- 3.14 Similarly it is recommended that a capital equalisation reserve is created, again with effect from 1st April 2018, to help with any timing issues around the need to fund any City Deal projects in advance of receipt of funding from other bodies.
- 3.15 In addition, it would be prudent to set aside now the money for the Local Government Elections in 2022. As these costs don't occur every year there is no base budget for them, setting aside the money in reserves now will alleviate this pressure in future budget cycles. At the current time it is estimated that the costs in 2022 will be in the region of £300,000.

3.16 To this extent, and following a review of current earmarked reserves, the following re-classification of earmarked reserves is recommended:-

Category of Earmarked Reserve	Current Balance 31/03/17 £'000	Proposed Change £'000	Recommended Position £'000
Technical/third party	877	0	877
Insurance	15,695	0	15,695
Transformation and efficiency	3,335	-2,279	1,056
Schools delegated reserves	7,575	0	7,575
Equalisation reserves	0	0	0
Commuted sums	5,030	0	5,030
Repair and renewal funds	3,303	0	3,303
Profit share on disposals	1,217	0	1,217
Service earmarked reserves	4,650	300	4,950
Capital reserves	5,580	0	5,580
Restructuring costs reserve	8,479	1,979	10,458
Total Earmarked Reserves	55,741	0	55,741

4. Valuation of reserve requirements

- 4.1 A number of the reserves highlighted above have been set aside for specific purposes; these include the insurance reserve set aside to meet the potential cost of excess payments should a claim on external insurers materialise or should the Council have to meet claims from its own resources. Repair and renewal funds set aside to meet future major repair and renewal costs on strategic assets (The LC, Wales National Pool, Quadrant Bus Station), and reserves set aside for profit share on disposals of assets where reclamation has been funded by the WDA/Welsh Government.
- 4.2 It is essential that monies set aside for the above purposes are regularly reviewed in order to confirm their accuracy and relevance.
- 4.3 To that extent formal assurance will be sought on the adequacy of these reserve levels as part of the annual budget setting process.
- 4.4 As part of the budget setting process for 2017/18 a formal review of the Insurance reserve was completed and it was determined that a take from the reserve of £700k per annum for the next 3 years (starting with 2017/18) was acceptable. This has already been built into planning assumptions.
- 4.5 As part of the budget setting process for 2018/19 a formal review will be carried out again of all service earmarked reserves to test their continued relevance and value.

5. Legal implications

- 5.1 There are no direct legal implications arising from this report. However, Section 151 of the Local Government Act 1972 requires each Local Authority to make arrangements for the proper administration of its financial affairs and that the Chief Finance Officer (in our case the Head of Financial Services and the Service Centre) has responsibility for those affairs.
- 5.2 Under guidance detailed at Appendix A to this report the Chief Finance Officer is required at all times to monitor the purpose and use of reserves.

6 Access to Service implications

- 6.1 Having assessed the current planned use of earmarked reserves there are no significant equalities implications arising from these changes

Background Papers: None

Appendix A: LAAP Bulletin 99 – Local Authority Reserves and Balances

LAAP BULLETIN 99

Local Authority Reserves and Balances

July 2014

The Local Authority Accounting Panel issues LAAP Bulletins to assist practitioners with the application of the requirements of the Code of Practice on Local Authority Accounting, SeRCOP and Prudential Code, and to provide advice on emerging or urgent accounting issues. Bulletins provide influential guidance that is intended to be best practice, but are not prescriptive and do not have the formal status of the Code, SeRCOP or Prudential Code.

Please address any queries to CIPFA Technical Enquiry Service for CIPFA members and students
technical.enquiry@cipfa.org.uk

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INTRODUCTION AND BACKGROUND

1. LAAP Bulletin 55 (Guidance note on local authority reserves and balances) was issued in February 2003. This was followed by its replacement in 2008 by LAAP Bulletin 77. LAAP Bulletin 77 included a number of events and changes that occurred including the publication of the Prudential Code and the beginnings of the financial downturn. Since the issue of LAAP Bulletin 77, the IFRS-based Code¹ has been published and this bulletin has been updated to reflect the new requirements of that Code. In addition, during a period of financial austerity for the public sector, the Local Authority Accounting Panel considers that it is necessary to update the guidance on local authority reserves and balances.
2. The “New Reporting Framework” described in LAAP Bulletin 55 has now largely been overtaken by statutory requirements, but is included in Appendix A for information.
3. The advice previously provided by LAAP Bulletin 77 which focussed on the financial impact of flooding is included in Appendix B.
4. Further resources and information are provided at Appendix C.
5. Relevant extracts from the IFRS-based Code are provided at Appendix D.

PURPOSE

6. This bulletin provides guidance to local authority chief finance officers in England, Northern Ireland, Scotland and Wales on the establishment and maintenance of local authority reserves and balances.

APPLICATION

7. In England, Scotland and Wales the guidance is applicable to local authorities, joint committees and joint boards of principal authorities.
8. In England and Wales the guidance is applicable to Police and Crime Commissioners, Chief Constables and fire and rescue authorities.
9. In Northern Ireland the guidance applies to all district councils.
10. The general principles set out in this guidance apply to an authority’s General Fund, Council Fund, Police Fund and, where appropriate, to the Housing Revenue Account (HRA).
11. The advice in this bulletin relates to reserves, not provisions. The Code definitions of provisions and reserves are included in Appendix D to this bulletin for information.
12. This bulletin replaces LAAP Bulletin 77.

¹ *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

LEGISLATIVE / REGULATORY FRAMEWORK

13. The requirement for financial reserves is acknowledged in statute. Sections 31A, 32 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Section 93 of the 1992 Act requires Scottish authorities, in calculating council tax, to take into account 'any means by which those expenses may otherwise be met or provided for'. This includes reserves.
14. In Scotland there are explicit statutory powers under schedule 3 of the Local Government (Scotland) Act 1975 permitting certain local authorities to establish a renewal and repair fund, an insurance fund and a capital fund alongside a requirement, as in England and Wales, to maintain a General Fund (section 93 of Part VII of the Local Government (Scotland) Act 1973). LASAAC has published guidance on reserves which is available from the LASAAC website. In Northern Ireland, Section 9 of the Local Government Finance Act (Northern Ireland) 2011 enables councils to maintain other funds in addition to the General Fund. Local authorities may however ' earmark ' specific parts of the General Fund reserve. This earmarking of a proportion of the General Fund is referred to in this Bulletin as Earmarked Reserves.
15. There are also a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:
 - the balanced budget requirement:
 - England, sections 31A, 42A of the Local Government Finance Act 1992, as amended
 - Wales, sections 32 and 43 and Scotland, 93 of the Local Government Finance Act 1992 and
 - section 85 of the Greater London Authority Act 1999
 - chief finance officers' duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its budget requirement (England and Wales)
 - chief finance officers' duty to report on the robustness of estimates and the adequacy of reserves (under sections 4 and 6 of the Local Government and Finance Act (Northern Ireland) 2011
 - the legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief finance officer / proper officer has responsibility for the administration of those affairs section 151 of the Local Government Act 1972, section 95 of the Local Government (Scotland) Act 1973 and section 1 of the Local Government and Finance Act (Northern Ireland) 2011
 - the requirements of the Prudential Code.
16. These requirements are reinforced by section 114 of the Local Government Finance Act 1988 which requires the chief finance officer in England and Wales to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. Indeed, the authority's full council must meet within 21 days to consider the s114 notice and

during that period the authority is prohibited from entering into new agreements involving the incurring of expenditure.

17. Whilst it is primarily the responsibility of the local authority and its chief financial officer to maintain a sound financial position, external auditors will confirm that there are no material uncertainties about going concern. Even where as part of their wider role auditors have to report on an authority's financial position, it is not their responsibility to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.
18. CIPFA's Prudential Code requires chief finance officers in local authorities to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long term revenue commitments. Indeed, in considering the affordability of its capital plans, the authority is required to consider all of the resources available to it/estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years.

ROLE OF THE CHIEF FINANCE OFFICER (PROPER OFFICER IN SCOTLAND)

19. Within the existing statutory and regulatory framework, it is the responsibility of chief finance officers (proper officer in Scotland) to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
20. CIPFA and the Local Authority Accounting Panel consider that local authorities should establish reserves including the level of those reserves based on the advice of their chief finance officers. Authorities should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. In assessing the appropriate level of reserves, a well-managed authority will ensure that the reserves are not only adequate but are also necessary. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.
21. Section 26 of the Local Government Act 2003 gives Ministers in England and Wales a general power to set a minimum level of reserves for local authorities. However, the government has undertaken to apply this only to individual authorities in the circumstances where an authority does not act prudently, disregards the advice of its chief finance officer and is heading for serious financial difficulty. This accords with CIPFA's view that a generally applicable minimum level is inappropriate, as a minimum level of reserve will only be imposed where an authority is not following best financial practice (including the guidance in this bulletin).

TYPES OF RESERVE

22. When reviewing their medium term financial plans and preparing their annual budgets local authorities should consider the establishment and maintenance of reserves. These can be held for three main purposes:
 - a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;

- a means of building up funds, often referred to as earmarked reserves (or earmarked portion of the general fund in Scotland - see below), to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations	Where expenditure is planned in future accounting periods, it is prudent to set aside resources in advance.
Insurance reserves (note that the Insurance Fund is a statutory fund in Scotland)	Self-insurance is a mechanism used by a number of local authorities. In the absence of any statutory basis (other than in Scotland) sums held to meet potential and contingent liabilities are reported as earmarked reserves where these liabilities do not meet the definition of a provision under the requirements of the Code's adoption of IAS 37 <i>Provisions, Contingent Assets and Liabilities</i>).
Reserves of trading and business units	Surpluses arising from in-house trading may be retained to cover potential losses in future years, or to finance capital expenditure.
Reserves retained for service departmental use	Authorities may have internal protocols that permit year-end underspendings at departmental level to be carried forward.
Reserves for unspent revenue grants	Where revenue grants have no conditions or where the conditions are met and expenditure has yet to take place. The Code Guidance Notes recommend that these sums are held in earmarked reserves (see paragraph 29 below).
Schools balances	These are unspent balances of budgets delegated to individual schools.

FINANCIAL REPORTING FOR RESERVES

23. The IFRS-based *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) introduced the Movement in Reserves Statement to local authority financial statements in the 2010/11 financial year. This Statement presents the movement in the year of the reserves of the authority analysed into usable reserves, (eg General Fund, HRA Balances and earmarked reserves) and unusable reserves (see paragraph 24 below).
24. Unusable reserves arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile accounting requirements driven by reporting standards to statutory requirements.

These reserves², which are not resource-backed and cannot be used for any other purpose, are described below:

Revaluation Reserves

- The Revaluation Reserve - this is a reserve that records unrealised gains in the value of property, plant and equipment. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or when assets are revalued downwards or disposed of. Local authorities might benefit from these gains in the future from the continued use of the assets or from their sale. 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.
- The Available-for-Sale Financial Instruments Reserve – this is a reserve that records unrealised revaluation gains arising from holding available-for-sale investments, plus any unrealised losses that have not arisen from impairment of the assets. Local authorities might benefit in the future from the gains when the investments mature or are sold or they might be lost in falls in value.

Adjustment Accounts

- The Pensions Reserve – this is a specific accounting mechanism used to reconcile the payments made for the year to various statutory pension schemes in accordance with those schemes' requirements and the net change in the authority's recognised liability under the Code's adoption of IAS 19 – *Employee Benefits*, for the same period. A transfer is made to or from the pensions reserve to ensure that the charge to the General Fund reflects the amount required to be raised in taxation. For example, the debit balance on the Reserve shows that an authority has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.
- The Capital Adjustment Account - this is a specific accounting mechanism used to reconcile the different rates at which assets are depreciated under proper accounting practice and are financed through the capital controls system. Statute requires that the charge to the General Fund is determined by the capital controls system. For example, the credit balance on the Account shows that an authority has generally financed capital investment in advance of receiving the benefits of that investment. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.
- The Financial Instruments Adjustment Account – this is a specific accounting mechanism used to reconcile the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under proper accounting practice and are required by statute to be met from the General Fund. For example, the debit balance on the Account shows that an authority has incurred expenses on borrowings that the Government has permitted it to spread over future years.

² In addition to the Reserves included in this list authorities may hold the deferred capital receipts reserve and the accumulated absences account. Further details on these reserves are included in the *Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners 2013/14 Accounts*.

- The Unequal Pay Back Pay Account - this is a specific accounting mechanism used to reconcile the different rates at which payments in relation to compensation for previous unequal pay are recognised under proper accounting practice and are required by statute to be met from the General Fund. This account is not applicable to Scotland.
 - Collection Fund Adjustment Account – this is a specific accounting mechanism used to reconcile the differences arising from the recognition of council tax and non-domestic rates income (England)) in the Comprehensive Income and Expenditure Statement to those amounts required to be charged by statute to the General Fund. For example, the credit balance on the Account shows that more tax has been collected on behalf of the authority and the precepting bodies (and central government in England for non-domestic rates income) than an authority is permitted to transfer out of the Collection Fund by 31 March. This account is not applicable to Scotland.
25. Other such reserves may be created in future where developments in local authority accounting result in timing differences between the recognition of income and expenditure under proper accounting practice and under statute or regulation.
26. In addition authorities will hold the following two usable reserves:
- a Major Repairs Reserve (England and Wales), where relevant – in England this reserve records the unspent amount of HRA balances for capital financing purposes in accordance with statutory requirements for the Reserve. In Wales this represents the amounts unspent from the Major Repairs Allowance capital grant.
 - a Capital Receipts Reserve (Capital Fund in Scotland³) – this reserve holds the proceeds from the sale of assets, and can only be used for those purposes specified in the capital finance and accounting regulations⁴ in England, Northern Ireland and Wales and for capital purposes in Scotland.
27. The Code recommends that earmarked reserves are reported on the face of the Movement in Reserves Statement. Particularly significant movements might need to be reported individually on the face of the Statement to ensure key messages are presented clearly to users. However, effective reporting may either as an alternative or as a supplementary report necessitate similar disclosures in the notes to the financial statements (see paragraphs 3.4.2.41 and 3.4.2.42 of the Code which are also included in Appendix D for ease of reference).
28. When establishing reserves, local authorities need to ensure that they are complying with the Code and in particular the need to distinguish between reserves and provisions. Definitions of reserves and provisions are included in Appendix D of this Bulletin.
29. The introduction of the IFRS-based Code on 1 April 2010 has meant that grant income should be recognised in the Comprehensive Income and Expenditure Statement (and therefore against the General (Council) Fund or HRA Balances for

³ *The Statutory Basis for Accounting and Disclosing Reserves in Local Authorities in Scotland* [LASAAC, 2005] states "Useable capital receipts reserves are considered to be allowable under the power contained within Schedule 3, para 22 of the 1975 Act. Such a reserve effectively acts as a subset of the capital reserve specifically permitted by legislation."

⁴ The Local Authorities (Capital Finance and Accounting)(England) Regulations 2003, as amended, The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, as amended and the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011.

revenue grants) where grant payment is unconditional or grant conditions have been satisfied⁵. The Code Guidance Notes recommend⁶ that where these grants have been received prior to the expenditure having taken place authorities should consider establishing earmarked reserves. This will ensure that amounts are set aside from the General (or Council) Fund and HRA balances in earmarked reserves to provide financing to meet the requirements of the grant. The amounts set aside will be posted back from earmarked reserves to meet General Fund and HRA expenditure in future years. It is likely therefore that since the introduction of the IFRS-based Code there is an increased tendency to hold earmarked reserves.

30. The statutory reporting regime described earlier and effective financial management underpin the need for clear, transparent reporting arrangements for reserves and therefore in addition to the financial reporting requirements above, LAAP recommends that for each earmarked reserve (earmarked portion of the general fund in Scotland) held by a local authority there should be a clear protocol setting out:
- the reason for / purpose of the reserve;
 - how and when the reserve can be used;
 - procedures for the reserve's management and control; and
 - a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

PRINCIPLES TO ASSESS THE ADEQUACY OF RESERVES

31. In order to assess the adequacy of unallocated general reserves when setting the budget, chief finance officers should take account of the strategic, operational and financial risks facing the authority. Where authorities are being reorganised, this assessment should be conducted on the basis that the services will continue to be provided, and adequate reserves will therefore be required by successor authorities. The assessment of risks should include external risks, such as flooding, as well as internal risks, for example, the ability to deliver planned efficiency savings. In England and Wales, statutory provisions require authorities to review at least once in a year the effectiveness of their system of internal control, which will include risk management. The CIPFA/SOLACE framework *Delivering Good Governance in Local Government* details an approach to giving assurance that risk, control and governance matters are being addressed in accordance with best practice.
32. The Codes of Audit Practice in England, Wales, Scotland and Northern Ireland make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks should be assessed in the context of the authority's overall approach to risk management.

Budget Assumptions	Financial standing and management assessment/impact
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates)

⁵ See Code of Practice on Local Authority Accounting in the United Kingdom Section 2.3.

⁶ See *Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners 2013/14 Accounts*, paragraphs C39 and C40.

	<p>etc.). Rises in the prices of some commodities, eg fuel, highlight the relevance of using a number of inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases. Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.</p>
<p>Estimates of the level and timing of capital receipts</p>	<p>The authority's track record in budget and financial management including the robustness of the medium term plans. Authorities will also need to take into account changes in the property market, and adjust estimates and assumptions for reserves accordingly.</p>
<p>The treatment of demand led pressures</p>	<p>The authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.</p>
<p>The treatment of planned efficiency savings/ productivity gains</p>	<p>The strength of the financial information and reporting arrangements. The authority should also be in a position to activate contingency plans should the reporting arrangements identify that planned savings or gains will either not be achieved or be delayed.</p>
<p>The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments</p>	<p>The authority's virement and end of year procedures in relation to budget under/overspends at authority and department/directorate level. Risk management measures in relation to partnerships, including consideration of risk allocation. Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements.</p>
<p>The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions</p>	<p>The adequacy of the authority's insurance arrangements to cover major unforeseen risks. When considering insurance cover, the structure of the cover as well as the overall level of risk should be taken into account. Risk assessments should be used when balancing the levels of insurance premiums and reserves.</p>
<p>The general financial climate to which the authority is subject</p>	<p>External factors, such as future funding levels expected to be included in Spending Reviews and expected referenda principles and limits, will influence an authority's ability to replenish reserves once they have been used. Any plans for using reserves will</p>

	need to consider the need and ability of the authority to replenish the reserves, and the risks to which the authority will be exposed whilst replenishing the reserves.
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Whilst many of these factors relate to setting the annual budget, the level of risk and uncertainty associated with these factors will be relevant in determining an appropriate level of reserves.

33. Authorities have been faced by increasing financial pressures since 2008. This has been followed by a period of significant reduction in government funding which is anticipated to continue for some time, ie the spending review 2013 announced that the government will reduce total spending in 2015/16, 2016/17 and 2017/18 in real terms at the same rate as during the spending review 2010 period. Demands on local government services continue to increase. In addition to reduction in government funding other pressures include:
- councils striving to constrain council tax increases,
 - reductions of income,
 - new service demands and responsibilities such as:
 - the transfer of public health functions
 - the localisation of non-domestic rates retention, council tax freezes and council tax benefits/support
 - severe weather and floods.

Furthermore, events such as the losses in Icelandic banks and the problems in global financial markets are likely to mean that Councils will focus on cautious investment strategies. Council budgets and reserves have remained under pressure and are likely to continue to do so for some time.

34. The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level. A considerable degree of professional judgement is required. The chief finance officer may choose to express advice on the level of balances in cash and/or as a percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the authority. The Audit Commission Report (December 2012) *Striking a Balance* makes a number of recommendations to both Chief Finance Officers and elected members to better assist councils in their decision making. Similarly the Accounts Commission in its report *An overview of local government in Scotland 2014*⁷ commented that more needs to be done to provide information on why reserves are held, how this fits with the councils financial strategy and how they will be used. The principles and financial reporting established in this and the previous LAAP bulletins on reserves will provide for the information requirements and an appropriate framework for this.
35. The advice should be set in the context of the authority's risk register and medium term plans and should not focus exclusively on short-term considerations. Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, it is not normally prudent for reserves to be deployed

⁷ Issued by the Accounts Commission in March 2014

to finance recurrent expenditure. CIPFA has commented⁸ that Councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is to be taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term. Advice should be given on the adequacy of reserves over the lifetime of the medium term financial plan, and should also take account of the expected need for reserves in the longer term.

36. Events such as the floods and severe weather that occurred earlier this year (2014) and previously in the floods during the summers of 2007 and 2008 have emphasised the need for authorities to be prepared for major unforeseen events. Adequate insurance cover combined with appropriate levels of reserves will enable authorities to manage the demands placed on them in such circumstances. However, these arrangements need to take account of all possible scenarios. An example quoted in the Audit Commission report *Staying Afloat* is that the total cost of the flooding was reduced where authorities had specifically considered the impact of a wide scale, serious event affecting many assets, and had taken appropriate action, for example, negotiating insurance policies that capped the total excesses linked to one event.
37. Part of the risk management process involves taking appropriate action to mitigate or remove risks, where this is possible. This in turn may lead to a lower level of reserves being required, and it would be appropriate to consider reducing the level of balances held where appropriate action to mitigate or remove risks has been successfully undertaken. A balance will need to be found between maintaining adequate levels of reserves and investing in risk reduction measures. This balance should form part of the risk management process and be considered as part of the annual budget process.
38. Emergency financial assistance from central government may be available to assist authorities in dealing with the immediate consequences of major unforeseen events, normally under the Emergency Financial Assistance to Local Authorities scheme (commonly known as the 'Bellwin' scheme). However, there is no automatic entitlement to financial assistance, and where financial assistance is given, it will not cover all of the costs even in exceptional circumstances. Further details of the scheme are available on the relevant government web sites (links can be found in Appendix C of this bulletin). Authorities should plan to have access to sufficient resources (through reserves, insurance or a combination of both) to cover the costs of recovering from events that are likely to be unavoidable.
39. When considering the level of reserves, it would be appropriate for authorities to take into account the likely level of Government support that would be available, and to consider how the balance would be funded in the event of an unforeseen event occurring.
40. Flooding, the effects of severe weather and the impact of the problems experienced by the global financial markets are examples of external risks which local authorities may need to take into account in setting levels of reserves and wider financial planning. An assessment of external risks should not be limited to those issues, but should range more widely, to take account of all significant external risks identified through the authority's risk management processes.

⁸ See comments by CIPFA Chief Executive *Building up council reserves to protect the public from future financial problems is good financial management* – CIPFA
<http://www.cipfa.org/about-cipfa/press-office/latest-press-releases/building-up-council-reserves>

EXTRACT FROM LAAP BULLETIN 55

7 A New Reporting Framework

7.1 The finance director has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

7.2 The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the finance director⁹. To enable the Council to reach its decision, the finance director should report the factors that influenced his or her judgement, and ensure that the advice given is recorded formally. Where the finance director's advice is not accepted this should be recorded formally in the minutes of the council meeting.

7.3 It is recommended that:

- the budget report to the Council should include a statement showing the estimated opening general reserve fund balance for the year ahead, the addition to/withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure
- this should be accompanied by a statement from the finance director on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the authority's medium term financial strategy
- a statement reporting on the annual review of earmarked reserves (including schools' reserves) should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balances.

⁹ LAAP Bulletin 99 normally refers to Chief Finance Officers – previous editions of this Bulletin referred to Finance Directors.

EXTRACT FROM LAAP BULLETIN 77

27. "...Alternative arrangements, for example mutual aid agreements, may help to reduce the reliance on reserves or insurance. The Pitt Review into the 2007 floods, although specifically focused on England, will be of relevance to all local authorities. This recommended that "Local authorities should continue to make arrangements to bear the cost of recovery for all but the most exceptional emergencies, and should revisit their reserves and insurance arrangements in light of last summer's floods." The Government's position remains that it is primarily the local authority's responsibility to bear such costs, and authorities should note this position when considering the appropriate level of reserves."

28 "... However, both the Pitt Review and Staying Afloat noted that most central government assistance provided to local authorities in relation to the 2007 floods was ad hoc in nature. The government has been keen to stress that they should not be seen as setting a precedent and should not be relied on in the future. Authorities will therefore need to make their own assessments of the likely level of support. "

FURTHER INFORMATION:

The Pitt Review can be downloaded from:

http://webarchive.nationalarchives.gov.uk/20100807034701/http://archive.cabinetoffice.gov.uk/pittreview/thepittreview/final_report.html

Staying Afloat can be downloaded from:

http://archive.audit-commission.gov.uk/auditcommission/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/StayingAfloat_REP14Dec07.pdf

Both reports provide additional advice to local authorities on planning for and managing the financial impacts of exceptional events.

LASAAC Guidance on Reserves in Scotland can be downloaded from:

<http://www.cipfa.org/regions/scotland/policy-and-technical/local-authority-scotland-accounts-advisory-committee/guidance-and-publications/accounting-for-interest-on-reserves>

Details of the Emergency Financial Assistance (Bellwin) Scheme can be downloaded from:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210953/The_Bellwin_Scheme_of_Emergency_Financial_Assistance_to_Local_Authorities.pdf

<http://www.scotland.gov.uk/Topics/Government/local-government/17999/Bellwin>

<http://wales.gov.uk/topics/localgovernment/finandfunding/emergency/publications/efas-guidance-notes-14-15/?lang=en>

The Audit Commission Report *Striking a Balance* can be downloaded from:

<http://www.audit-commission.gov.uk/2012/12/striking-a-balance-improving-councils-decision-making-on-reserves/>

Accounts Commission *An overview of local government in Scotland 2014* (March 2014) can be accessed at:

http://www.audit-scotland.gov.uk/docs/local/2014/nr_140327_local_government_overview.pdf

CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING IN THE UNITED KINGDOM
DEFINITIONS (AND RELEVANT EXTRACTS OF) RESERVES AND PROVISIONS

CHAPTER TWO: CONCEPTS AND PRINCIPLES

2.1.2.25 Reserves – the residual interest in the assets of the authority after deducting all its liabilities. The Movement in Reserves Statement shows the true economic cost of providing the authority's services, represented by the line 'Surplus or (deficit) on the provision of services'. Some income and expenditure is required to be recognised on a different basis or in a different accounting period (ie in accordance with legislation) in the General Fund and Housing Revenue Account. These differences are shown in the line 'Adjustments between accounting basis and funding basis under regulations'. Voluntary transfers to or from the General Fund Balance and Housing Revenue Account Balance also affect the amount to be funded from council tax or council dwelling rents; these are shown in the line 'Transfers to or from reserves available to fund services'. The Movement in Reserves Statement also shows Other Comprehensive Income and Expenditure, for example revaluation gains.

CHAPTER THREE: FINANCIAL STATEMENTS

3.4.2.41 The classification of reserves presented in the Movement in Reserves Statement shall include the following items; authorities may choose to present additional items on the face of the statement:

- a) General Fund Balance (in Scotland, includes earmarked portion of General Fund Balance)
- b) Earmarked General Fund Reserves (not Scotland) (recommended but not mandatory)
- c) Housing Revenue Account Balance (in Scotland, includes earmarked portion of Housing Revenue Account Balance)
- d) Earmarked Housing Revenue Account Reserves (not Scotland) (recommended but not mandatory)
- e) Major Repairs Reserve (England and Wales)
- f) Revenue statutory funds (Scotland)
- g) Capital Receipts Reserve (England and Wales); Capital statutory funds (Scotland)
- h) Capital Grants Unapplied Account
- i) Total usable reserves
- j) Unusable reserves
- k) Total reserves of the authority
- l) Authority's share of the reserves of subsidiaries, associates and joint ventures (Group Accounts only)
- m) Total reserves (Group Accounts only).

3.4.2.42 A local authority shall present, either in the Movement in Reserves Statement or in the notes, an analysis of the amounts included in each item of the classification of reserves required by paragraph 3.4.2.41. This analysis shall present amounts held for capital purposes separately from those held for revenue purposes, and shall separately identify the total reserves held by schools.

CHAPTER EIGHT: LIABILITIES

8.2.2.9 A **provision** is a liability of uncertain timing or amount.

8.2.2.12 A provision shall be recognised when:

- an authority has a present obligation (legal or constructive) as a result of a past event
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

8.2.2.13 If the above conditions are not met, no provision shall be recognised.

8.2.2.14 In some cases it is not clear whether there is a present obligation. In these cases, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the reporting date. A past event that leads to a present obligation is called an obligating event.



Report of the Cabinet Member for Commercial Opportunities and Innovation

Council – 26 October 2017

Proposal to Pass a New Resolution Not to Issue Casino Licences and Proposed Amendments to the Council's Gambling Policy

Purpose:	<p>i) To consider the outcome of the consultation in respect of a proposal to pass a new resolution not to issue casino premises licences; and proposed amendments to the City and County of Swansea's Statement of Principles (Gambling Policy)</p> <p>ii) To make a decision regarding passing a new resolution not to issue casino premises licences</p>
Policy Framework:	Gambling Policy, January 2016- 2019.
Consultation:	Access to Services, Finance, Legal, existing licence holders, representatives of persons carrying on gambling businesses, statutory bodies, representatives of interested parties and City and County of Swansea Members.
Recommendation(s):	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1) Council considers the outcome of the consultation in respect of a proposal to pass a new resolution not to issue casino premises licences and proposed amendments to the City and County of Swansea's Statement of Principles (Gambling Policy). 2) Council takes into account the matters identified in paragraph 4 of the report and agrees to pass a new resolution not to issue casino premises licences; 3) If Council agrees to pass a new resolution not to issue casino premises licences: Council agrees the proposed amendments to the Gambling Policy for publication and specifies the date of the 6 December 2017 as the date on which the resolution takes effect.
Report Author:	Lynda Anthony
Finance Officer:	Paul Roach
Legal Officer:	Lyndsay Thomas
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 On the 4th November 2014, Council agreed to pass a resolution not to issue casino licences (A No Casino Resolution) and also agreed amendments to the Council's Gambling policy (the Policy) in respect of the resolution. The resolution came into effect on the 5th December 2014 as the resolution cannot take effect until 4 weeks after the date following the date of the Council decision.
- 1.2 The decision to pass the resolution was based on the Council's priorities and commitments to improving the wellbeing of people in Swansea, in particular addressing poverty and the impact of poverty on its communities, research which suggests that casinos are associated with higher bankruptcy rates in their localities and the increased likelihood of a person becoming a problem gambler, the links between problem gambling and the negative impact on communities and also the promotion of the licensing objective "*Protecting children and other vulnerable persons from being harmed or exploited by gambling*".
- 1.3 A resolution needs to be passed every 3 years to keep the Policy in place. The current resolution expires on 5th December 2017 and Council needs to pass a new resolution by the 4th November 2017 for the resolution to be in place on 6th December 2017.

2.0 A No Casino Resolution

- 2.1 The Gambling Act 2005 (the Act) allows a licensing authority to pass a No Casino Resolution and to specify the date on which the resolution takes effect. This decision must be taken by Council and must be published in the Policy.
- 2.2 The resolution must specify the date it comes into effect and it may also be revoked by passing a further resolution, subject to further consultation.
- 2.3 A No Casino Resolution will only affect new casinos. It will not have any effect on casino premises that were originally licensed under the Gaming Act 1968, casino premises licences issued before the resolution takes effect.
- 2.4 There are 4 casino licences in force in Swansea. These licences relate to premises that were previously licensed under the Gaming Act 1968. Only one of the premises licensed is currently operating as a casino.
- 2.5 The Authority was awarded the power to grant a new small casino premises licence on the 19th May 2008. Passing the resolution will affect the issue of this premises licence as the Authority will not be able to grant the licence whilst the resolution is in force.

3.0 Considerations when passing a No Casino Resolution

3.1 In making the decision to pass a No Casino Resolution, the Authority may take into account any principle or matter and not just the licensing objectives. The licensing objectives in respect of the Gambling Act 2005 are:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way;
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

3.2 The basis for Council's decision to pass a No Casino Resolution in November 2014 is attached at Appendix A to the report.

4.0 Current Considerations

4.1 Tackling poverty remains one of the five key priorities for the City and County of Swansea.

4.2 Swansea continues to have an above average level of deprivation, with 18 (12%) of its 148 Lower Super Output Areas (LSOAs) now ranked in the top 10% most deprived in Wales, as measured by the Wales Index of Multiple Deprivation 2014. This has increased slightly from 17 in 2011 to 18 in 2014, although remains at 12%. In terms of the overall index, the most deprived LSOAs in Swansea are in Townhill, Penderry, Castle, Morriston, Bonymaen, St Thomas and Mynyddbach.

4.3 Previous research has shown that disadvantaged social groups who experience poverty, unemployment, dependence on welfare, and low levels of education and household income are most likely to suffer the adverse consequences of increased gambling. Problem gambling can lead to debt, divorce, crime, depression and also suicide, all of which can have a negative impact on communities, particularly those already experiencing the stresses of life on a low income.

4.4 It is also considered that licensing objective 3, "Protecting children and other vulnerable persons from being harmed or exploited by gambling" remains relevant in this case. The term "vulnerable persons" is not defined but the statutory guidance produced by the Gambling Commission states that for regulatory purposes it must be assumed that this group includes people who gamble more than they want to, people who gamble beyond their means and people who are unable to make informed or balanced decisions about gambling.

5.0 Proposal to Pass a New No Casino Resolution

5.1 On the 19th September 2017 a report was considered by the Director of Place seeking agreement for the Council's intention to pass a new resolution not to issue casino licences and minor amendments to the relevant dates contained with the Policy, to be issued for consultation.

5.2 The Director agreed that the Council's intention to pass a new resolution, not to issue casino licences and the associated amendments to the Policy, could be issued for consultation with the results being reported to Council for decision.

6.0 Consultation

6.1 Consultation was undertaken involving existing licence holders, representatives of persons carrying on gambling businesses, statutory bodies, representatives of interested parties and City and County of Swansea Members.

6.2 The consultation period ended on the 3rd October 2017 and three responses were received. The responses were from Councillor Mike Durke, Councillor Cyril Anderson and William Parry, Parry & Co Solicitors. Copies of the responses are attached at Appendix B

7.0 The responses

7.1 The responses received from Councillor Mike Durke and Councillor Cyril Anderson confirm support for the Council's intention to pass a new resolution not to issue casino licences.

7.2 The response received from William Parry, Parry and Co Solicitors states that if a casino was opened and operated properly in compliance with the many regulatory controls which govern such premises, they fail to see why the Council should oppose or restrict such an operation.

8. Officer Observations

8.1 Officers have considered the observations received and in relation to the comments received from William Parry, Parry & Co Solicitors, whilst it is acknowledged that casino premises can be regulated in accordance with the relevant regulatory controls, it is considered that the matters identified in paragraph 4 of the report remain relevant and support the Council's proposal to pass a new resolution not to issue casino licences.

9.0 Proposed Changes to the Policy

9.1 The proposed changes to the Policy relate to the dates only and are identified in paragraph 18.1, in bold italic type in the extract of the policy relating to casinos which is attached at Appendix C

10.0 Equality and Engagement Implications

10.1 An Equalities Impact Assessment Screening Form has been completed with the agreed outcome that a full Equalities Impact Assessment report is not required.

11.0 Financial Implications

11.1 Acceptance of the proposed amendment would mean the City foregoing the possibility of potential financial benefits from the development of a Casino for up to the next three years, although there appears to be a lack of interest from potential casino operators.

12.0 Legal Implications

- 12.1 The Authority's original submission of a bid to the Government's Casino Advisory Panel for the Licence was subject to a willingness to licence and the Authority made representations to demonstrate its commitment to licence if it was awarded the power to grant a large/small licence.
- 12.2 Authorities unable to demonstrate a willingness to commit to the grant of a licence were not considered.
- 12.3 At this time there is no deadline imposed for granting the Licence.
- 12.4 A no casino resolution is a non- executive function and cannot be delegated therefore it has to be passed by full Council .The resolution must be published in the Policy before being given effect.

Background Papers: Report to the Director of Place,19 September 2017, Agreement for the Proposal to Pass a Further Resolution not to Issue Casino Licences and Associated Policy Amendments to be Issued for Consultation

Appendices:

- Appendix A The basis for Council's decision to pass a No Casino Resolution in November 2014
- Appendix B Consultation Responses
- Appendix C Proposed Changes to the Gambling Policy

Proposal to Pass a Resolution not to Issue Casino Licences and Proposed Amendments to the Council's Gambling Policy

Extract from the report to Council 4th November 2014

4.0 Proposal to pass a No Casino Resolution

- 4.1 In making the decision to pass a No Casino Resolution, the Authority may take into account any principle or matter and not just the licensing objectives. The licensing objectives in respect of the Gambling Act 2005 are:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;
 - Ensuring that gambling is conducted in a fair and open way;
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.
- 4.2 The Authority's proposal to pass a No Casino Resolution in February 2014, subject to consultation on the proposed changes to the Gambling Policy and the decision of Council, was based on:
- i) The fact that since the original bid for the new casino licence was submitted there have been changes in the focus of the Authority's priorities and commitments to improving the wellbeing of people in Swansea. Tackling poverty was adopted by Full Council as a top priority for the City and County of Swansea on 26 July 2012.
 - ii) Swansea has an above average level of deprivation, with 17 (12%) of its 147 Lower Super Output Areas (LSOAs) now ranked in the top 10% most deprived in Wales, as measured by the Wales Index of Multiple Deprivation 2011. In terms of the overall index, the most deprived LSOAs in Swansea are in Townhill, Penderry and Castle. In response to this, Council adopted the "Target Area Approach" to tackling poverty in February 2013.
 - iii) Research on the social impacts of gambling, carried out in Scotland on behalf of the Scottish Executive in 2006 shows that disadvantaged social groups who experience poverty, unemployment, dependence on welfare, and low levels of education and household income are most likely to suffer the adverse consequences of increased gambling. Problem gambling can lead to debt, divorce, crime, depression and also suicide, all of which can have a negative impact on communities, particularly those already experiencing the stresses of life on a low income. This is a particularly important consideration in view of the current economic climate.
- 4.3 In addition to paragraph 4.2 of this report it was also considered that licensing objective 3, "Protecting children and other vulnerable persons from being harmed or exploited by gambling" was relevant in this case. The term "vulnerable persons" is not defined but the statutory guidance produced by the Gambling Commission states that for regulatory purposes it must be assumed that this group includes people who gamble more than they want to, people who gamble beyond their means and people who are unable to make informed or balanced decisions about gambling.

From: Durke, Mike (Councillor)
Sent: 26 September 2017 08:14
To: Stockton, Andy <Andy.Stockton@swansea.gov.uk>
Cc: Members Support <Members.Support@swansea.gov.uk>
Subject: Re: Gambling Act 2005 - Consultation on proposed amendments to the City and County of Swansea's Statement of Principles (Gambling Policy)

Andy,

Thanks for the email. I support this approach. CCS should stand firm against having casinos in our area and take a proactive approach to alleviate the pressures gambling puts on the finances of individuals and families.

Happy to discuss possible partnership approach on this with colleagues at the University of Wales Trinity Saint David - one of my colleagues has undertaken major research in this important area.

Kind Regards,

Mike


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From: Stockton, Andy
Sent: Wednesday, September 20, 2017 1:48:27 PM
To: Councillors - All Political Groups; Thomas, Lyndsay; White, Gavin
Cc: Members Support
Subject: Gambling Act 2005 - Consultation on proposed amendments to the City and County of Swansea's Statement of Principles (Gambling Policy)

Please see attached documents relating to the City & County of Swansea's proposal to pass a new resolution not to issue casino licences.

If you wish to reply by email, please address your replies to evh.licensing@swansea.gov.uk.

Regards

Andy Stockton
Clerc Trwyddedu/Licensing Clerk.
Gwasanaeth Tai a Diogelu'r Cyhoedd/Housing & Public Protection
Dinas a Sir Abertawe/City and County of Swansea.
 01792 635600

A wnewch chi ystyried yr amgylchedd cyn argraffu'r neges hon. Please consider the environment before printing this email.

From: Anderson, Cyril (Councillor)

Sent: 20 September 2017 15:57

To: EVH Licensing

Subject: Gambling Act 2005 - Consultation on proposed amendments to the City and County of Swansea's Statement of Principles (Gambling Policy)

Hi Andy.

I fully support The Council on not allowing any Gambling Licences for casino's in Swansea

Kind Regards

Cllr.Cyril.Anderson

Your reference: RAW/Lic/Casino
Our reference: WP/SJ
Date: 22 September 2017

Directorate of Place
Housing & Public Protection
Civic Centre
Oystermouth Road
Swansea
SA1 3SN



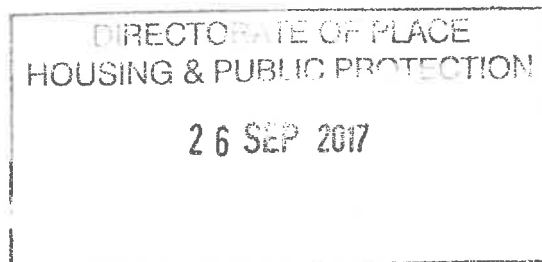
Dear Sirs

Re: Gambling Act 2005 – Consultation on proposed amendments to the City and County of Swansea’s Statement of Principles (Gambling Policy) in respect of a proposal to pass a new resolution not to issue casino licences

Thank you for your letter received on 21 September 2017. I enclose a response.

Yours sincerely


William Parry
PARRY & CO



EXTRACT OF
CITY AND COUNTY OF SWANSEA
STATEMENT OF PRINCIPLES
GAMBLING ACT 2005
DRAFT AMENDMENT 2017
(THE AMENDMENTS ARE DRAFT AND WILL NOT TAKE EFFECT
UNLESS APPROVED BY COUNCIL FOLLOWING THE CONSULTATION)

18.0 Casinos

- 18.1 On the ~~4th November 2014~~ ***date to be inserted***, the City and County of Swansea acting as a Licensing Authority agreed to pass a ***further*** resolution not to issue casino licences under Section 166 of the Act. This resolution came into effect on the ~~5th December 2014~~ ***date to be inserted***. The decision followed a consultation process and consideration of the responses received.
- 18.2 A potential applicant for a casino premises licence should be aware that this resolution has been passed and that applications for a casino premises licence will not be considered by this Authority. Any application received will be returned and the applicant informed that a resolution not to issue casino licences is in place for the City and County of Swansea.
- 18.3 This resolution will not affect existing casino premises licences including any applications for variations or transfers of these licences.
- 18.4 The resolution will last for a period of 3 years from the date it takes effect. After this time the Authority may pass a new resolution not to issue casino premises licences.
- 18.5 In 2006, the City and County of Swansea submitted a proposal to the Independent Casino Advisory Panel to license one Large and one Small casino. On 19 May 2008 the Categories of Casino Regulations 2008 and the Gambling (Geographical Distribution of Large and Small Casino Premises Licences) Order 2008 were made. The latter Order specifies which Licensing Authorities may issue Large and Small Casino Premises Licences. The City and County of Swansea was one of the eight authorities authorised to issue a Small Casino Premises Licence.
- 18.6 On 26 February 2008, the Secretary of State for Culture Media and

Sport issued the Code of Practice on Determinations under Paragraphs 4 and 5 of Schedule 9 to the Act, relating to Large and Small Casinos, which sets out: -

- the procedure to be followed in making any determinations required under Paragraphs 4 and 5 of Schedule 9 to the Act;
- matters to which the Licensing Authority should have regard in making those determinations.

18.7 The Licensing Authority is permitted to grant a Premises Licence for a Small Casino. To grant a casino premises licence the Licensing Authority is required to publish an invitation for applications to be made for a Small Casino Licence under Schedule 9 of the Gambling Act 2005 and will determine the applications received in accordance with The Gambling (Inviting Competing Applications for Large and Small Casino Premises Licences) Regulations 2008, the Department for Culture Media and Sport's Code of Practice and the Gambling Commission's Guidance to Licensing Authorities.

18.8 There are potentially two stages to the determination process. In making a determination required by Paragraph 4 of the Schedule, the Licensing Authority must apply the procedure for assessing applications for premises licences which it ordinarily applies to such applications (Casino Application Stage 1). Where the Licensing Authority determines that it would, if it were able, grant more than one of the Stage 1 applications, the applicants who made those applications would be invited to participate in Casino Application Stage 2.

Note: paragraphs 18.7 & 18.8 do not apply whilst the resolution not to issue casino licences is in force

18.9 As the City and County of Swansea has been authorised to issue a small casino premises licence it is required to set out the principles it would apply in determining such an application, notwithstanding that it has passed a resolution not to issue casino licences.

19.0 General Principles – Casino Premises

19.1 Subject to the provisions in the Act, any person may make an application. The Licensing Authority will determine each application according to criteria which are: -

- the same for all applicants;
- made known to all applicants;
- not pre-selected to favour a particular applicant or application.

19.2 The Licensing Authority shall ensure that any pre-existing contract, arrangements or other relationship with a company or individual does

not affect the procedure for assessing applications so as to make it unfair or perceived to be unfair to any applicant. The Licensing Authority shall therefore disregard any contract, arrangement or other relationship.

19.3 The Licensing Authority recognises that applicants may either apply for a full Casino Premises Licence or alternatively a Provisional Statement. Applicants for full Premises Licences however must fulfil certain criteria in that they must: -

- hold or have applied for an Operating Licence; and
- have the right to occupy the premises in question.

19.4 Unless otherwise specified, any reference to the application and procedures for a 'premises licence' for a casino in the following parts of this section of this document shall also include the application and procedures for a 'provisional statement' for a casino.

19.5 In making any decision in respect of an application, the Licensing Authority shall not have regard to whether or not a proposal by the applicant is likely to be permitted in accordance with the law relating to planning or building regulation and any decision shall not constrain any later decision by the Authority under the law relating to planning or building.

19.6 The Licensing Committee will make the determination on casino licence applications at Stage 1 and at Stage 2. During Stage 2, the Licensing Committee will be supported by an Advisory Panel of Officers and others with appropriate experience.

19.7 In accordance with the Code of Practice issued by the Secretary of State, the Licensing Authority will ensure that there is a Register of Interest in place disclosing interest in any contract, arrangement or other relationship with an applicant or a person connected or associated with an applicant. Applicants should note that this does not apply to any agreement between the Licensing Authority and applicant entered into during Stage 2 of the application process.

20.0 Casino Application Stage 1

20.1 The Licensing Authority will provide an Application Pack which will include a statement of the principles that it proposes to apply and the procedure that it proposes to follow in assessing applications for the Small Casino Premises Licence.

20.2 At this stage, the Licensing Authority cannot accept any additional information other than the prescribed application form laid down in The Gambling Act 2005 (Premises Licences and Provisional Statements) (England and Wales) Regulations 2007. All such additional information will be disregarded and returned to the applicant.

- 20.3 With regard to Stage 1, the principles as stated in Paragraphs 12-18 of the Gambling Policy shall apply to all applications.
- 20.4 The Licensing Authority recognises that each of the other applicants is considered an 'interested party' and as a result may make representations. It is recognised that the Licensing Authority's decision at Stage 1 may be appealed against, in which case the Licensing Authority will not proceed further until all appeals have been dealt with.
- 20.5 If this process results in more than one provisional decision to grant a Premises Licence, Casino Application Stage 2 will be implemented.

21.0 Principles to be applied to casino application Stage 2

- 21.1 The Licensing Authority will apply to Stage 2 the following principles in determining whether or not to grant a Casino Premises Licence: -
- Any provision that is made for the protection of children and other vulnerable people from harm or exploitation arising from gambling, whether in the proposed casino or the wider community;
 - Any provision that is made for preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - Any provision that is made for ensuring that gambling is conducted in a fair and open way;
 - Likely effects of an application on employment and regeneration in Swansea;
 - Design and location of the proposed development;
 - Range and nature of non- gambling facilities to be offered as part of the proposed development;
 - Any financial and other contributions;
 - The deliverability of the proposals contained in the applications.
- 21.2 In determining which application is likely to result in the greatest benefit to Swansea, the Licensing Authority has set out matters which are likely to receive the greatest weight (Appendix C). However, an applicant is not debarred from putting forward other benefits which the Licensing Authority will consider and weight to the extent that it considers them relevant.
- 21.3 Although applicants are able to submit an application for any location within Swansea which will be judged on its own individual merits, the Licensing Authority is provisionally of the view that the locations for the Small Casino likely to bring the greatest benefit to Swansea is Swansea City Centre.

22.0 Casino Application Stage 2

- 22.1 The Licensing Authority will agree and implement a protocol governing the storage of confidential information submitted during Stage 2 of the application process so as to maintain confidentiality.
- 22.2 At this Stage, applicants will be required to state the benefits their applications, if granted, would bring to Swansea.
- 22.3 The Licensing Authority will itself evaluate all applications and make the decision to grant the available Small Casino Premises Licence to the applicant that in its opinion will result in the greatest benefit to Swansea.
- 22.4 The Licensing Authority may enter into a written agreement with an applicant and may determine to attach conditions to any licence issued so as to give effect to any agreement entered into. The Licensing Authority may have regard to the effect of any agreement so entered in making the determination on the applications.
- 22.5 The Advisory Panel, appointed by the Licensing Authority, will carry out a preliminary assessment of each Stage 2 application. Following the preliminary assessment, the Advisory Panel may engage in discussions or negotiations with each Stage 2 applicant with a view to the particulars of an application being refined, supplemented or otherwise altered so as to maximise the benefits to the Authority's area that would result from it, were it granted.
- 22.6 The Advisory Panel will assess each bid according to criteria set out in the Application Pack. The applicant will be sent the Advisory Panel's assessment of its application to enable the applicant to correct any factual errors or (without providing new information) make representations as to the assessment.
- 22.7 The Advisory Panel will then provide a final written report to the Licensing Committee which will include its recommendation as to the correct band for each criterion, its qualitative assessment and also the applicant's response. The Licensing Committee will consider the Advisory Panel's report and will determine the precise score for each criterion. The Licensing Committee will not take further evidence or representations made by the applicants but will then make its decision. Any legal advice required shall be supplied by the Solicitor acting for the Licensing Authority. The Licensing Authority will accept or reject any advice given as it considers appropriate.
- 22.8 All Stage 2 applicants will be informed of the decision and reasons for approval or rejection as soon as is reasonably practicable. It is noted that once a decision has been made there will be no right of appeal.

Agenda Item 13.



Report of the Presiding Member, Monitoring Officer & Head of Democratic Services

Council – 26 October 2017

Amendments to the Constitution

Purpose:	To make amendments in order to simplify, improve and / or add to the Council Constitution. A decision of Council is required to change the Council Constitution.
Policy Framework:	None.
Consultation:	Access to Service, Finance, Legal. Chair and Vice Chair of LA Governor Panel and other Panel members.
Recommendation(s):	It is recommended that: 1) The changes to the Council Constitution as outlined in Paragraph 3.5 of the report together with any further consequential changes be adopted.
Report Authors:	Huw Evans / Kathryn Thomas / Stephanie Williams
Finance Officer:	Ben Smith
Legal Officer:	Stephanie Williams
Access to Services Officer:	N/A

1. Introduction

1.1 In compliance with the Local Government Act 2000, the City and County of Swansea has adopted a Council Constitution. A number of issues have arisen since adoption and in order to maintain the aims, principles and procedures set out in Articles 1 and 15 of the Council Constitution, it is proposed that the amendments set out below should be made to the Constitution.

2. Delegated Minor Corrections to the Council Constitution

2.1 There are no delegated minor corrections to the Council Constitution.

3. Amendments to the Council Constitution

3.1 This report outlines suggested amendments to the Council Constitution. The amendments are within the following area of the Council Constitution:

a) Part 3 “Responsibility for Functions – Terms of Reference”.
“2.4.4 Local Authority (LA) Governor Panel” **Currently states:**

1. *The Panel will be chaired by the Independent Chair - the Chair or Vice Chair of the Swansea Association of Governing Bodies - and will have a casting vote in the event of a tie. The quorum will be three and the Independent Chair will not count towards the quorum.*
2. *The Panel will meet on a regular basis and on pre agreed dates to consider any applications and make recommendations to Cabinet for filling LA vacancies on Governing Bodies.*
3. *The Panel will use the following criteria in considering applications:*
 - a. *Firstly the Elected Member(s) representing ward(s) in the catchment area of the relevant school;*
 - b. *Secondly, if the Elected Members representing ward(s) in the catchment area of the relevant school do not express an interest, the vacancy be offered to other elected Members of the LA;*
 - c. *Following application of the above criteria, vacancies be offered to persons who, in the opinion of the Panel, would be suitable to the role of governor and who would contribute effectively to the school in terms of skills and experience.*
4. *In each of the above categories whenever there are more candidates than vacancies, LA representatives will be appointed on the basis of whom, in the opinion of the Panel, will make the most effective contribution to the management of the school concerned.*
5. *The Panel will receive, discuss and determine any representations made to them whenever they make any change to representation on a particular Governing Body.*
6. *The Panel will hear any request made to them to remove an LA Governor in Accordance with Regulation 27 of the Education (School Government) (Wales) Regulations 2005 and make a recommendation to Cabinet for approval.*
7. *The Panel will encourage all newly appointed Governors to undertake training to prepare them for their role.*

8. *Applications must be submitted no later than 7 working days before the date of the Panel and late applications will only be considered at the discretion of the Chair.*
- 3.2 It is proposed that in future Swansea school governing bodies will be required to complete a skills matrix whenever a governor vacancy on the governing body occurs.
- 3.3 The reason for this is to align more closely with the Welsh Government School Governance Regulatory Framework that has recently been the subject of a public consultation. Governing bodies will be expected to undertake a skills audit to identify any skills gaps and all governor appointments should be made on that basis wherever possible.
- 3.4 In order to encourage schools to adopt the process of completing a skills matrix the Local Authority intends to take a lead on this process through the future appointment of Local Authority governors. Thus for future appointment of Local Authority governors, governing bodies will be required to complete a skills matrix to accompany any local authority governor application that is being made.
- 3.5 It is therefore proposed that Part 3 “Responsibility for Functions - Terms of Reference”. 2.4.4 Local Authority (LA) Governor Panel:
- a) **Be removed** from Part 3 “Responsibility for Functions - Terms of Reference”;
 - b) **Be renamed** the Local Authority (LA) Governor Appointments Procedure and added to Part 4 “Rules of Procedure” of the Council Constitution;
 - c) **Be redrafted** as follows:
 - 1. *All Local Authority Governor Appointments shall be made by Cabinet following a recommendation from the Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning.*
 - 2. *The Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning will consider any applications in line with the governing body skills matrix alongside each individual governor application which will include a brief description by the applicant about the experience and knowledge they can offer the governing body.*
 - 3. *The Local Authority Governor Application Form will be amended to include opportunity for applicants to include details (up to 300 words) of experience, knowledge and skills to demonstrate how their appointment will help address any skill gap identified within the school governing body skill matrix.*

4. *The Chief Education Officer and Cabinet Member will make recommendation on the appointment of the governor who is deemed to have the most appropriate skills and expertise to support and challenge the governing body, and make recommendations to Cabinet for filling LA vacancies on Governing Bodies.*
5. *The Councillor(s) representing the ward(s) in the catchment area of the schools' views will be sought to input into the decision-making.*
6. *The following criteria shall be used in considering applications:*
 - a. *Firstly the Councillor(s) representing ward(s) in the catchment area of the relevant school if they meet the skills criteria provided by the school;*
 - b. *Secondly, if the Councillors(s) representing ward(s) in the catchment area of the relevant school do not express an interest, the vacancy be offered to other Councillors of the Local Authority if they meet the skills criteria provided by the school;*
 - c. *Following application of the above criteria, vacancies be offered to persons who, in the opinion of the Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning, would be suitable to the role of governor and who would contribute effectively to the school in terms of skills and experience in meeting the skills criteria provided by the school.*
7. *In each of the above categories whenever there are more candidates than vacancies, Local Authority representatives will be recommended to Cabinet on the basis of whom, in the opinion of the Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning, will make the most effective contribution to the management of the school concerned as provided for in the skills criteria provided by the school.*
8. *The Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning, shall receive, discuss and determine any representations made to them whenever they make any change to representation on a particular Governing Body.*
9. *The Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning, shall hear any request made to them to remove an LA Governor in Accordance with Regulation 27 of the Education (School Government) (Wales) Regulations 2005 and make a recommendation to Cabinet for approval.*

10. *The Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning, will expect all newly appointed Governors to undertake mandatory governor training in accordance with Welsh Government requirements within a year of them taking up the position in order to prepare them for their role and improve understanding of their responsibility to both challenge and support the school and Head teacher.*
11. *Applications must be submitted no later than 7 clear working days before the date of the Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning meeting / discussion and late applications will only be considered at their discretion.*

4. Equality and Engagement Implications

- 4.1 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.

5. Financial Implications

- 5.1 There are no financial implication associated with this report.

6. Legal Implications

- 6.1 Under the Government of Maintained Schools (Wales) Regulations 2005 Local Education Authority (LEA) Governors are appointed by Local Authorities. Local Authorities can appoint any eligible person as an LEA governor. Each individual LA decides on the process and criteria required for the appointment and removal of LEA governors.
- 6.2 The Welsh Government are currently consulting on proposals to revise and consolidate the school governance Regulatory framework. One of the new requirements is that Local Authorities when appointing LEA governors must be of the opinion that the prospective governor fulfils the skills criteria from the skills audit put forward by the school.
- 6.3 The amended version of the Council Constitution will be available at www.swansea.gov.uk/constitution

Background Papers: None.

Appendices: None.



Report of the Cabinet Member for Service Transformation and Business Operations

Council – 26 October 2017

Membership of Committees

Purpose:	Council approves the nominations/amendments to the Council Bodies.
Policy Framework:	None.
Consultation:	Political Groups.
Recommendation:	It is recommended that: 1) The amendments to the Council Bodies listed in paragraph 2 be approved
Report Author:	Gareth Borsden
Legal Officer:	Tracey Meredith
Finance Officer:	Paul Cridland
Access to Services Officer:	N/A

1. Introduction

- 1.1 Meetings of Council regularly agree and amend the membership of the various Committees/Council Bodies 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 have changes to the following Council Bodies:

Safeguarding Policy & Development Committee

Remove Councillor K M Roberts
Add Councillor C Anderson

3. Outside Bodies

- 3.1 The Leader has made the following amendments to the bodies listed below:

Gower College Swansea Page 63
Remove Councillor J A Raynor
Add Councillor K M Roberts

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



Council – 26 October 2017

Councillors' Questions

Part A – Supplementaries

<p>1</p>	<p>Cllrs Peter Black, Mary Jones & Chris Holley</p> <p>Will the Cabinet Member comment on the council's policy of not accepting soft plastic for recycling, will he also tell Council what the current collection rate is for kerbside plastics and what happens to plastic waste collected.</p> <p>Response of the Cabinet Member for Environment Services</p> <p>The Council is unable to collect film or flimsy plastic mixed with plastic bottles, tubs, trays, pots etc. as UK plastic reproprocessors have advised that they are only prepared to accept loose plastics with as little film as possible as they consider the film to be a contaminant. We are in discussions with a new reproprocessor who make take film or flimsy plastics as long as it is separate from plastic bottles, tubs etc., so we are trialling a skip for film at Llansamlet Household Waste Recycling Centre.</p> <p>For the first 6 months of this year we have collected an average of 365 tonnes of plastic per month from the kerbside. Bagged plastics are currently processed in Turkey, although we have sent higher quality, loose plastics from the re-useable bags to Pembrokeshire and Northampton for trials.</p>
<p>2</p>	<p>Cllrs Mike Day, Mary Jones & Gareth Sullivan.</p> <p>How much has been spent on supply staff (teachers, tutors, support staff, etc) for each of the years 2014/15, 2015/16 and 2016/17? Can the Cabinet Member tell Council whether all schools use the service provided by New Directions.</p> <p>Response of the Cabinet Member for Children, Education & Lifelong Learning</p> <p>Schools purchase their supply cover from their salaries budget in their individual delegated bank accounts and therefore the total amount spent is not available at a central level. The New Directions contract is monitored quarterly and from their records not all schools use New Directions. Schools do not have to use New Directions but if they use another provider they must undertake all of the relevant checks and seek four written quotes if their annual spend is predicted to exceed £5,000.</p>
<p>3</p>	<p>Cllrs Jeff Jones, Mary Jones & Peter Black</p> <p>Will the Cabinet Member give an indication when the library review is going to be available for scrutiny.</p>

	<p>Response of the Cabinet Member for Culture, Tourism & Major Projects</p> <p>The previous 'Library Review' took the form of several iterations between August 2014 and November 2015. Initially a standard review of operational procedures and systems, as occurs across the services on a regular basis, and secondly a review of the service in light of austerity and budget pressures faced in 2015/16. This iteration was included as a section of the Cultural Services Commissioning Review, but due to the complexity and cross cutting nature of Libraries, across 17 sites, it was subsequently removed so that it could be informed by the outcomes of other reviews of services in community settings. As various efficiencies had already been identified within the service, around the book fund; opening hours; staffing structures, to achieve savings, these were implemented as part of annual business planning, budget setting and delivery. Libraries are now included in the wider cross cutting review of 'Services in the Community' and the team will contribute to this as it develops.</p>
4	<p>Cllrs Irene Mann & Peter May</p> <p>In the document presented to the last council meeting "The First 100 Days and Beyond", targeting HMOs for improved standards of management and maintenance has been identified as a future initiative.</p> <p>What particular improvements in standards are being sought.</p> <p>What is the plan and timescale for delivering these improvements.</p> <p>Response of the Cabinet Member for Housing Energy & Building Services</p> <p>The Council has always strived to ensure good management standards and maintenance of HMOs. We continue to inspect HMOs in Swansea and to seek out and improve any new properties identified to ensure properties are safe to live in. There's always room for improvement however and we are currently paying particular attention to matters around waste for example. This work is underway now to coincide with the new academic year at the Universities, will remain ongoing for as long as is required and will be reviewed again at the end of 2017/18 summer term. We continue to work across the Council, with partners and landlords themselves to ensure HMOs fulfil their important role in the housing market but do not adversely impact on neighbourhoods.</p>
5	<p>Cllrs Chris Holley, Jeff Jones & Sue Jones</p> <p>It is understood that the Citizen Card will hold personal information of the cardholder. How safe will this information be and how easy will it be for the cardholder to access and amend if required.</p> <p>Response of the Cabinet Member for Service Transformation & Business Operations</p> <p>The Citizen Card links to the Council's new approach to digital services. It was established within the Digital Strategy that the council would seek to provide a single digital identity to access all council services, bringing</p>

Swansea in line with other Welsh local authorities. The aim for this was to make it easier to interact with the council and to reduce demand on services by providing citizens and visitors with information that was relevant to them without them having to search for it.

Several principles were agreed early on during the initial planning for an identity service:

- Hold the minimum of personally identifiable information needed to complete the task
- Give individuals complete control over their personal information and how that information is used, including the right to be forgotten
- Further information captured about an individual while transacting with the authority would be deleted when it had no further use
- The underlying technology platform must employ the latest security and threat prevention, encryption at all stages of any transaction and be able to operate independently of any proprietary technology

These principles are specified based not only on the Authority's desire to be an ethical custodian of sensitive personal information, but to ensure compliance with the upcoming General Data Protection Regulations (GDPR).

The objective of creating a single digital identity pre-dates the Citizen Card by more than a year and has been extensively researched and designed. For a Citizen Card to work it would need to be linked to a digital identity so that an individual's identity and residential status can be confirmed, creating an obvious synergy between the two projects.

The Citizen Card would link to the individual's record, but would contain no personally identifiable information itself.

6 Cllrs Mike Day, Mary Jones & Wendy Fitzgerald

Highways Maintenance Programme - 2015-2020

Will the Cabinet Member give an update on any changes that have been made to the programme published on the Council's website or are planned for the remainder of the programme? Can the Cabinet Member indicate, for the schemes that have been completed, how much has been spent by ward on the schemes.

Response of the Cabinet Member for Environment Services

The programme published on the Website will not normally change with the exception of schemes that may be moved in terms of year due to clashes with statutory undertakers for example. It is anticipated that all schemes identified in the 2015-20 programme will be completed by the end of the programme.

I have asked Officers to update the programme to show completion to dates. This work will take several weeks to compile and once complete this will be posted on the Webpages. For details on the spend in your Ward, the Planned Maintenance team can be contacted directly.

In addition following a recent review it has been agreed to publish a list to

	<p>show what additional work over and above the published programme has carried out through the additional £1m investment.</p>
7	<p>Cllrs Wendy Fitzgerald, Kevin Griffiths & Gareth Sullivan</p> <p>Could the Cabinet Member confirm that the terms of the Section 106 Schedule 6 Planning Agreement, signed by all relevant parties for the Mynydd y Gwair Wind Power Station on Mynydd y Gwair, were intended to ensure that the four counties in the Swansea Bay City Region gained economic benefit from this development rather than main contractors from outside this area.</p> <p>Can the Cabinet Member confirm that this Agreement has not been amended to include economic gain for an area within a hundred kilometres radius of the Swansea Bay City Region, as recently published by Innogy.</p> <p>Can the Cabinet Member advise what steps will be taken, by joint action with our partner counties, to ensure Innogy complies with the terms of the 106 Agreement.</p> <p>Response of the Cabinet Member for Culture Tourism & Major Projects</p> <p>The Social Benefit Terms within Schedule 6 of the Section 106 Planning Obligation has the following defined terms:</p> <ul style="list-style-type: none"> • Local Businesses – Businesses employing people in Wales • Local People – People living within the Swansea Bay City Region • Local Services and Suppliers – Services originally in Wales or using Welsh products <p>The terms of the Agreement have not been amended since it was completed on 7 March, 2014.</p> <p>The Developer is required to use reasonable endeavours to use Local Services and Supplies where appropriate materials, facilities, skills, relevant expertise and technical specialisation are available and commercially acceptable. The Developer shall use reasonable endeavours to recruit Local People and use Local Businesses as employee’s contractors and sub-contractors at the stage of tendering for work and contracts associated with the construction of the development provided appropriate materials, facilities, skills, relevant expertise and technical specialisation is available and commercially acceptable. The Developer shall use reasonable endeavours within any contract to ensure there is a commitment to ensure that Local People and Local Businesses are given the opportunity for employment. The Developer was also required to continue their programme of supply-chain events throughout Wales and also to engage with the Council in respect of employment initiatives to promote employment of Local People.</p> <p>Innogy (formerly RWE) sought to engage with the local business community at an early stage in the process to make sure local businesses / suppliers were aware of the opportunities of the contracts available for the Wind farm and a number of supply chain events were arranged. Dawnus were appointed as the Tier 1 contractor to carry out the civils works, who are a Swansea based contractor employing local people, and who have also used a number of local suppliers/ sub-contractors in respect of the access road construction. Innogy have now indicated that following a competitive tender process, Farrans Construction has been appointed as the Tier 2 civil contractor (i.e. to</p>

	<p>construct the wind turbine bases / access road etc.). Whilst Farrans are a Belfast based company they employ a large percentage of people living in Wales. Senvion have been awarded the contract for the supply and delivery of the 16 wind turbines.</p> <p>Within the terms of the Section 106 Planning Obligation, Innogy are not obliged to award the contract to a Wales based business if it does not satisfy their 'relevant expertise and technical specialist's is available and commercially acceptable' requirements. It is therefore considered that Innogy have used reasonable endeavours to use local services / supplies/ recruit local people / use local businesses and as such there is no breach of the Planning Obligation.</p>
8	<p>Cllrs Irene Mann & Peter May Paperless Resident parking permits.</p> <p>When answering our question in June it was mentioned that vehicle recognition technology would replace the time-consuming practice of manual input of registration details by enforcement officers.</p> <p>We have had several observations from residents that parking enforcement officers are still manually entering registration numbers into their machines to check permits.</p> <p>Please can a progress update be provided as to when parking enforcement officers will be able to use vehicle recognition technology to check whether a car has a valid permit.</p> <p>Response of the Cabinet Member for Environment Services</p> <p>Automatic Number Plate Recognition has previously been trialled using hand held devices from our current back office management software and hard ware supplier. During the demonstration, involving the Civil Enforcement Manager and Civil Enforcement Officers, the system was very slow and laborious; it was still quicker to input the Vehicle Registration Marks of each vehicle manually.</p> <p>Once the technology improves we will revisit the system and consider all options going forward.</p>
9	<p>Cllr Will Thomas</p> <p>We would like to bring the Cabinet's attention to the poor state of the children's play area at Underhill Park which is in desperate need of an upgrade. The park is in a popular and central location in Mumbles and parents across the area have raised issue with its current condition. It is worth noting that it is actually unsafe and, unfortunately, a child recently cut their leg on a nail at the park.</p> <p>I would be grateful if the Cabinet could commit the necessary funding to ensure that this play area is updated and brought up to a safe standard for children in our wards to enjoy.</p>

Response of the Cabinet Member for Culture, Tourism & Major Projects

During the latest inspection the playground has been deemed RED on the RAG list and a number of items of wooden play equipment need to be removed. The items that need to be replaced are 1 infant multiplay unit (approx. cost £8 to £10k), 1 set of infant swings (approx. cost £3 to £5k) and 1 junior multiplay unit (approx. cost £12 to £20k), although unfortunately Parks Services do not have a budget to replace this equipment. Alternative sources of funding will continue to be explored.

10 **Cllrs Lyndon Jones, Myles Langstone & Linda Tyler-Lloyd.**

There is huge support for a cycle path / walkway from Murton in the Bishopston Ward to the Mayals. There is no pavement connecting these two communities, so walkers and cyclists have to use the very busy road, which can be particularly dangerous. In the report to the last full council about the first 100 days, it said that it was one of the aims of the Council to increase access to safe cycling and walking. A wider scheme including this project, was turned down a few years ago by the Welsh Assembly Government. Does the Council have any plans itself or with grant funding from elsewhere, to give the green light to this project, or is it just an aspiration.

Response of the Cabinet Member for Environment Services

The support for the path is understood and the Council applied for funding to develop and deliver the scheme through the Safe Routes to Communities Fund in February 2017, but this was sadly rejected by the Welsh Government on this occasion. The Council has done some preliminary work to consider the practicalities of delivering the path, and there is a reasonable understanding on the likely costs and feasibility, but the scheme would need a good deal more design to work it up to a stage from which it can be delivered.

The main challenges to the delivery of the scheme are as follows:

Land Ownership: The land adjacent to the B4436 as it crosses the Clyne Common, is not owned by the Council. The Council has not yet undertaken land ownership searches and it is therefore not possible as yet to determine how many land owners might be involved in the delivery of the scheme. This element is therefore largely unknown and further design would be required to look into this matter.

Common Land: This is a substantial issue and one that can be fraught with difficulty. The Common Land Act can be quite unwieldy and the timescales involved in this one element are very difficult to determine. Essentially following a period of consultation with local residents and Commoners, the Council could make an application to the Welsh Government's Planning Inspectorate to exchange land to allow for the delivery of the scheme. This process can take between 12 to 18 months to complete, and its outcome is fairly unpredictable. This is obviously a reasonable resource implication, and again it is difficult to justify this when we are currently unable to fund even the design element.

	<p>Funding: In light of the current restrictions on transport capital infrastructure spending, the Council is not able to fund the preliminary development of these scheme. Similarly, the grant funding pots that the Council ordinarily relies upon are also now being either severely reduced or removed altogether. I am sure that there will be opportunities to bid for funding in future years, but projects such as this are difficult to secure funding for because they cannot be delivered in a single calendar year (as the grants run year-to-year and expect to see a tangible product at the conclusion of the grant). In the first instance, the Engineers within the Highways & Transportation Team would be pleased to undertake the preliminary assessments it allow the scheme to progress if funding could be identified to support this.</p> <p>The Council's current position is therefore to seek funding to deliver the scheme as the opportunity arises. It is therefore unlikely that we will next have opportunity to seek funding for the scheme until early-2018.</p>

	<p>Part B – No Supplementaries</p>																				
11	<p>Cllrs Mike Day, Chris Holley & Mary Jones</p> <p>Will the Cabinet member tell Council how much sickness costs are for all Council services in each of the years 2014/15, 2015/16 and 2016/17? Can the Cabinet Member break down the costs into direct sick pay given to employees by service, and the cost of cover and replacement staff and/or overtime payments made to cover sickness absences.</p> <p>Response of the Cabinet Member for Service Transformation & Business Operations</p> <table border="1" data-bbox="276 1429 1385 1648"> <thead> <tr> <th>Years</th> <th>2014/2015</th> <th>2015/2016</th> <th>2016/2017</th> </tr> </thead> <tbody> <tr> <td>People</td> <td>£ 3,271,751.91</td> <td>£ 3,138,577.67</td> <td>£ 2,951,559.43</td> </tr> <tr> <td>Place</td> <td>£ 2,209,559.59</td> <td>£ 2,146,113.36</td> <td>£ 2,644,176.21</td> </tr> <tr> <td>Resources</td> <td>£ 569,952.80</td> <td>£ 484,578.17</td> <td>£ 727,871.72</td> </tr> <tr> <td>Total Sick Pay</td> <td>£ 6,051,264.30</td> <td>£ 5,769,269.20</td> <td>£ 6,323,607.36</td> </tr> </tbody> </table> <p>The Payroll system does not record overtime worked to cover sickness absences separately from overtime worked for other reasons. New functionality is in the process of being developed by the digital services team so the Council can analyse this data in future. However, it is Council policy that overtime should only be used when there is a need to meet immediate service requirements. Any overtime must have prior authorisation by the line manager. Overtime is worked for various reasons including, to cover for absences, operational reasons, special events, emergencies, increase in work, catch up following bank holidays etc.</p>	Years	2014/2015	2015/2016	2016/2017	People	£ 3,271,751.91	£ 3,138,577.67	£ 2,951,559.43	Place	£ 2,209,559.59	£ 2,146,113.36	£ 2,644,176.21	Resources	£ 569,952.80	£ 484,578.17	£ 727,871.72	Total Sick Pay	£ 6,051,264.30	£ 5,769,269.20	£ 6,323,607.36
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12	<p>Cllrs Mike Day, Jeff Jones & Linda James</p> <p>How much has the change to the Council's logo cost, including all design, printing and costs of any wastage through disposing of old stationery.</p> <p>Response of the Cabinet Member for Service Transformation & Business Operations</p> <p>The recent changes to the council logo were carried out internally by the DesignPrint team as a refresh rather than a redesign. It was fitted around the team's daily work and therefore did not incur additional costs over and above business as usual.</p> <p>Environmental and cost impacts were considered as part of this project. The Council is introducing the logo onto items such as stationery, signage, uniforms etc, only when they need to be renewed or replaced, therefore no wastage or disposal costs will be incurred. In addition, this means introduction of the new logo will be phased over time.</p>
13	<p>Cllrs Mary Jones, Jeff Jones & Graham Thomas</p> <p>Following a number of complaints about the removal of the grass from the rotunda outside the Guildhall will the Cabinet Member tell Council if the grass is going to be re-instated.</p> <p>Response of the Cabinet Member for Environment Services</p> <p>Following the planting of the wildflowers last season, the area will be returned to grass, and smaller areas around the Guildhall considered for wildflowers next season.</p>