

Cyngor

Rydych dan wŷs trwy hyn i ddod i gyfarfod **Cyngor Dinas a Sir** i'w gynnal yn Siambr y Cyngor, Neuadd y Ddinas, Abertawe ar Dydd Iau, 25 Hydref 2018 am 5.00 pm.

Cynigir trafod y materion canlynol:

1. **Ymddiheuriadau am absenoldeb.**
2. **Datgeliadau o fuddiannau personol a rhagfarnol.**
www.abertawe.gov.uk/DatgeliadauBuddiannau
3. **Cofnodion.** **1 - 10**
Cymeradwyo a llofnodi cofnodion y cyfarfod(ydd) blaenorol fel cofnod cywir
4. **Ymatebion ysgrifenedig i gwestiynau a ofynnwyd yng Nghyfarfod Cyffredinol Diwethaf y Cyngor.** **11 - 13**
5. **Cyhoeddiadau'r Aelod Llywyddol.**
6. **Cyhoeddiadau Arweinydd y Cyngor.**
7. **Cwestiynau gan y Cyhoedd.**
Rhaid i'r cwestiynau ymwneud â materion ar ran agored agenda'r cyfarfod, ac ymdrinnir â hwy o fewn 10 munud.
8. **Cyflwyniad Cyhoeddus - Dim.**
9. **Adroddiad Blynyddol y Pwyllgor Archwilio 2017/18** **14 - 33**
10. **Adolygiad Blynyddol o'r Amcanion Lles a Chynllun Corfforaethol 2018/22** **34 - 90**
11. **Adolygu'r refeniw wrth gefn.** **91 - 112**
12. **Datganiad cyllideb ganol blwyddyn 2018/19.**
13. **Datganiad o Gyfrifon Cronfa Bensiwn Dinas a Sir Abertawe 2017/18.** **113 - 177**
14. **Canlyniad Archwiliad Cynllun Datblygu Lleol (CDLI) Abertawe a'r gofynion ar gyfer Ymgynghoriad Cyhoeddus ar Ddiwygiadau Arfaethedig i'r Cynllun.** **178 - 242**
15. **Enwebu'r Darpar Arglwydd Faer a'r Darpar Ddirprwy Arglwydd Faer ar gyfer 2019-2020.** **243 - 255**

16. Adroddiad Blynyddol Craffu 2017-18 **256 - 296**

17. Cwestiynau gan y Cynghorwyr. **297 - 303**

18. Hysbysiad o gynnig - Councillors P K Jones, M Sherwood, R C Stewart, C E Lloyd, J P Curtice, D W W Thomas, A S Lewis, K M Roberts, M B Lewis, L V Walton, W G Lewis, M C Child, R Francis-Davies.

Dyfarnwyd statws Tref Masnach Deg i Abertawe gan y Sefydliad Masnach Deg ym mis Rhagfyr yn 2004. Yn 2008, Cymru oedd y wlad gyntaf i ennill statws Cenedl Masnach Deg.

Eleni, sef deng mlynedd ers i Gymru ennill statws Cenedl Masnach Deg, mae'r cyngor hwn wedi penderfynu atgyfnerthu'i ymroddiad i egwyddorion a chynnyrch Masnach Deg. Mae'r cyngor yn ymroddedig i roi datblygiad cynaliadwy ar waith fel y mynegwyd yn y saith nod llesiant a'r pum ffordd o weithio, fel a amlinellir yn Neddf Llesiant Cenedlaethau'r Dyfodol Llywodraeth Cymru. Mae'r nod llesiant ar gyfer 'Cymru sy'n gyfrifol ar lefel fyd-eang', sy'n ymroddedig i wneud 'cyfraniad cadarnhaol at les rhyngwladol' o berthnasedd arbennig. Mae statws Masnach Deg yn mynegi ymroddiad y cyngor at gefnogi ffermwyr, tyfwyr, cynhyrchwyr a'u teuluoedd, yn ariannol ac yn foesegol, mewn gwledydd incwm isel sy'n datblygu ac yn sicrhau dyfodol sy'n ddichonadwy, yn gynaliadwy sy'n rhydd o ecsbloetio.

Ar lefel ymarferol, mae'r cyngor yn ymroddedig i chwilio am gynnyrch Masnach Deg, eu defnyddio a'u darparu, lle bynnag y bo modd, yn ei ffreuturiau, ei gaffis a'i ysgolion. Rydym yn annog siopau manwerthu yn Abertawe i ddilyn esiampl y cyngor.

Bydd y cyngor hefyd yn sicrhau bod ganddo gynrychiolydd ar Fforwm Masnach Deg Abertawe, sef y grŵp cymunedol dynodedig sy'n rheoli statws Masnach Deg Abertawe.

Bydd y cyngor yn gwneud yr hyn y gall i wella bywydau a chyfleoedd pobl ar draws y blaned ac mae Masnach Deg yn gwneud cyfraniad pwysig at gyrraedd yr amcan hwn.

19. Hysbysiad o gynnig - Councillors R C Stewart, M C Child, A S Lewis, J P Curtice, R Francis-Davies, M B Lewis, L V Walton, E J King, C E Lloyd & K M Roberts.

Mae'r cyngor hwn wedi'i gythruddo gan benderfyniad Llywodraeth y DU i beidio â chefnogi Morlyn Llanw Abertawe er gwaethaf cefnogaeth ysgubol yn Abertawe a Chymru ac argymhelliad clir adroddiad Hendry y Llywodraeth ei hun. Mae'r cysyniad yn parhau i fod yn brosiect dibynadwy a dichonadwy ar gyfer cynhyrchu ynni gwyrdd. Mae'r prosiect ynni hwn yn cynnig dros 125 o flynyddoedd o ynni dibynadwy glân, gan gychwyn diwydiant newydd i'r DU, a galluogi Cymru i gymryd cam sylweddol tuag at fod yn genedl sy'n cynhyrchu digon o ynni adnewyddadwy a dangos ein hymrwymiad i feddwl tymor hir ar ynni o dan Ddeddf Llesiant Cenedlaethau'r Dyfodol.

Mae'r penderfyniad enbyd hwn yn dilyn penderfyniad i beidio â buddsoddi mewn trydaneiddio'r rheilffordd i'r gorllewin o Gaerdydd ac yn dangos diffyg tegwch i bobl ac economi de a gorllewin Cymru ac ystyriaeth ohonynt gan Lywodraeth y Ceidwadwyr yn Llundain. Yn anaml y mae prosiect isadeiledd mor greadigol a beiddgar wedi cael cymaint o gefnogaeth gan y cyhoedd ac mae gwrthod y cynnig o ganlyniad i ddadleuon gwerth am arian anghywir neu hynod gyfyng yn ergyd i economi Abertawe a'r rhanbarth. Dyma arwydd dybryd o ymagwedd Llywodraeth y Ceidwadwyr at fuddsoddi yng Nghymru a'i haddewidion i gyflwyno arian o Lywodraeth y DU yn lle arian Ewropeaidd pan fyddwn yn gadael yr UE yn 2019.

1. Mae'r cyngor hwn wedi penderfynu cefnogi cyflwyno Cynllun Ynni Llanwol ym Mae Abertawe.
2. Rydym yn diolch i Lywodraeth Cymru ac yn benodol i Brif Weinidog Cymru ac Ysgrifennydd y Cabinet dros Gyllid am eu cefnogaeth barhaus ar gyfer cynnig cefnogaeth mewn egwyddor i fodel ariannu newydd, Dinas-ranbarth Bae Abertawe, sydd wedi cymeradwyo gweithgarwch i greu model busnes newydd, a phobl Cymru am eu cefnogaeth barhaus ac ysgubol.
3. Rydym yn cefnogi penderfyniad yr Arweinydd i gynnull grŵp llywio sy'n dod â phartïon ynghyd i archwilio modelau busnes amgen a allai alluogi Morlyn Llanw'r Bae i gael ei gyflwyno'n wahanol a heb gyfranogaeth Llywodraeth y DU o bosib. Rydym yn galw ar bawb sydd â diddordeb mewn buddsoddiad tymor hir mewn ynni heb garbon, technolegau newydd a ffyniant Abertawe a rhanbarth de-orllewin Cymru yn y dyfodol i barhau i weithio i roi cynllun ar waith.

Mae'r cyngor hwn yn nodi bod Ysgrifennydd Gwladol Cymru wedi methu unwaith eto â gwasanaethu Abertawe a de-orllewin Cymru ac yn galw arno i sicrhau bod Cymru'n cael cyfran decach o gyllid a buddsoddiad.



Huw Evans
Pennaeth Gwasanaethau Democrataidd
Neuadd y Ddinas,
Abertawe.

Dydd Mawrth, 16 Hydref 2018
I: Bob Aelod o'r Cyngor

Agenda Item 3.



City and County of Swansea

Minutes of the Council

Council Chamber, Guildhall, Swansea

Thursday, 20 September 2018 at 5.00 pm

Present: Councillor D W W Thomas (Chair) Presided

Councillor(s)

P M Black
J E Burtonshaw
M C Child
A M Day
P Downing
C R Doyle
M Durke
V M Evans
C R Evans
W Evans
E W Fitzgerald
R Francis-Davies
S J Gallagher
L S Gibbard
F M Gordon
D W Helliwell
T J Hennegan
C A Holley

Councillor(s)

P R Hood-Williams
O G James
Y V Jardine
M H Jones
S M Jones
J W Jones
E J King
E T Kirchner
M A Langstone
M B Lewis
R D Lewis
A S Lewis
P Lloyd
I E Mann
P M Matthews
P N May
S Pritchard
A Pugh

Councillor(s)

J A Raynor
K M Roberts
B J Rowlands
M Sherwood
P B Smith
A H Stevens
R C Stewart
D G Sullivan
M Sykes
L G Thomas
W G Thomas
M Thomas
L J Tyler-Lloyd
G D Walker
L V Walton
T M White

Apologies for Absence

Councillor(s): C Anderson, S E Crouch, J P Curtice, N J Davies, K M Griffiths, J A Hale, B Hopkins, D H Hopkins, L James, P K Jones, L R Jones, W G Lewis, C E Lloyd, H M Morris, D Phillips, C L Philpott, C Richards, R V Smith and G J Tanner

48. Disclosures of Personal and Prejudicial Interests.

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

The Head of Democratic Services reminded Councillors and Officers that the "Disclosures of Personal and Prejudicial Interests" sheet should only be completed if the Councillor / Officer 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 Durke, C R Evans, V M Evans, R Francis-Davies, L S Gibbard, T J Hennegan, C A Holley, O G James, E T Kirchner, A S Lewis, M B Lewis, R D Lewis, P Lloyd, R C Stewart, M Sherwood, D G Sullivan, D W W Thomas, M Thomas & T M White declared a Personal Interest in Minute 59 "Statement of Accounts 2017-2018".

49. Minutes.

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

- 1) Ordinary Meeting of Council held on 26 July 2018;
- 2) Extraordinary Meeting of Council held on 27 July 2018;
- 3) Extraordinary Meeting of Council held on 21 August 2018.

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

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

51. Announcements of the Presiding Member.

1) Condolences

a) Honorary Alderman, Former Lord Mayor & Former Councillor Charles Thomas

The Presiding Member referred with sadness to the recent death of Honorary Alderman, former Councillor and former Lord Mayor Charles Thomas. Former Councillor Thomas served the St. Thomas Electoral Ward from 1965 to 1989. Former Councillor Thomas was also a former Lord Mayor 1983-1984 and Deputy Leader of the Council.

All present stood as a mark of sympathy and respect.

2) Congratulations to David Smith

The Presiding Member congratulated Swansea athlete, David Smith won individual BC1 Gold at the World Boccia Championships in Liverpool recently, this title has added to his Paralympic team gold at Beijing 2008, individual silver and team bronze at London 2012 and individual gold at Rio 2016. David has set up a local Boccia club in the LC.

3) Armed Forces - Gold Award from the Defence Employer Recognition Scheme

The Presiding Member stated that it was pleasing to see that the Council's efforts to support the Armed Forces have been recognised with a Gold Award from the Defence Employer Recognition Scheme. Swansea is the only council in Wales to have received this award which is organised by the Ministry of Defence. He congratulated all involved.

4) Morfa Distribution Road Award

The Presiding Member was delighted to announce that in July 2018, the Authority was awarded the prestigious 'Value' award from Construction Excellence Wales for the Morfa Distributor Road project. The awards are recognised across the Welsh built environment as the premier standard for best practice in Wales.

The award is presented to the project that evidences greatest value for owners and users as a key driver throughout the project. The judging panel commented on the complex delivery model that maximised public and private sector funds to deliver a project that is continuing to act as a catalyst for regeneration in the area. They also referenced the way in which the project respected the sites nationally important historic context, whilst also encouraging sustainable development and active travel infrastructure. The project evidenced the vital role that Local Authorities to continue to play in supporting development and regeneration.

A number of local contractors were appointed to construct the scheme over a phased funding programme. These supported training opportunities throughout the design and construction process, educational support to the local schools and made physical and financial contributions to the local community and historic groups.

Judges remarked: "rarely can such projects evidence the support of local, regional and transport forums, as well as private developers and historic preservation groups. Such is the challenge that was overcome by the Morfa Distributor Road scheme".

The project has been put forward as one of six regional finalists in the national Construction Excellence awards in November, where the winner will be invited to a special reception in the Houses of Parliament to showcase their achievement and to represent best practice for the Construction industry. The project is the only Local Authority lead scheme to be invited to the national awards and highlights the specialist skills and commitment to support the local community of staff within the Council.

Mark Thomas, Traffic and Highway Network Management Group Leader was present to receive the award.

5) APSE (Association for Public Service Excellence) Awards

The Presiding Member stated that the Authority has had great success at this year's APSE Awards with the Corporate Building Service winning the Best Workforce Initiative Award. The service has undergone a major staff training and development programme, creating future capacity and skills for the Team. To win this UK wide award in such a prestigious competition is a fantastic achievement and one that the Council should be proud of.

Additionally, the Authority was also shortlisted in three other categories namely Construction and Building Services; Environmental Health, Trading Standards and Regulatory Services and Best Innovation and Demand Management. He congratulated and thanked all of the staff involved.

6) Estyn Awards

The Presiding Member congratulated Craigfelen and Cwmrhydyceirw Primary Schools & Bishopston and Olchfa Comprehensive Schools for being invited to attend Estyn's Annual Awards due to their excellent school inspection reports. The Schools will be presented with a framed certificate recognising the hard work and commitment behind their achievement by Cabinet Secretary for Education Kirsty Williams.

Estyn is the education and training inspectorate for Wales

7) Ceremonial Meeting of Council – 4 October 2018

The Presiding Member reminded all Councillors of the Ceremonial Council scheduled for 16.00 on 4 October 2018 to confer Honorary Freedom upon Sir Karl Jenkins CBE B.Mus FRAM LRAM in the Council Chamber, Guildhall. It will be followed by afternoon tea in the Lord Mayor's Reception Room.

8) Amendments / Corrections to the Council Summons

a) Item 15 "Democratic Services Committee Annual Report 2017-2018 (25 May 2017 – 23 May 2018)

Page 148. The dates referred to in the Purpose part of the summary box should be amended to read "25 May 2017 to 23 May 2018".

9) Congratulations to Councillor S Pritchard

The Presiding Member congratulated Councillor S Pritchard following his recent marriage.

52. Announcements of the Leader of the Council.

1) Swansea Bay City Region Joint Committee

The Leader of the Council stated that the Swansea Bay City Region Joint Committee had held its first meeting.

2) Swansea Bay City Deal Economic Strategy Board

The Leader of the Council stated that the Swansea Bay City Deal Economic Strategy Board, Chaired by Ed Tomp had held its first meeting.

3) Tidal Lagoon Task Force

The Leader of the Council stated that the Tidal Lagoon Task Force had met and were discussing Tidal Lagoon Powers new plans. The aim was to go back to the Welsh Government by March 2019.

4) School Governing Bodies and School Uniform Policies

The Leader of the Council stated that he had taken the unusual step recently and made comments relating to a School Governing Body and its School Uniform Policy. He stated that whilst respecting the decision of that Body he was concerned at the timescales associated with the contract and the levels of uniform available.

He further stated that he supported Schools but asked that they have due regard of such a policy's impact on families.

53. Public Questions.

A question was asked by a member of the public in relation to Minute 48 "Annual Report 2017-2018 – Director of Social Services". The relevant Cabinet Member responded accordingly. There were no questions requiring a written response.

54. Public Presentation - None.

No Public Presentations were received.

55. Standards Committee Annual Report 2017-2018.

The Chair of the Standards Committee, Jill Burgess presented the Standards Committee Annual Report 2017-2018 for information. The report set out the work of the Standards Committee from 25 May 2017 to 23 May 2018.

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

Geraint Norman, Wales Audit Office (WAO) presented the “Wales Audit Office, Audit of Financial Statements Report 2017-2018 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.

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

Geraint Norman, Wales Audit Office (WAO) presented the “Wales Audit Office, Audit of Financial Statements Report 2017-2018 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.

58. Annual Report 2017/18 - Director of Social Services.

The Chief Social Services Officer presented the Director of Social Services evaluation of the improvement journey to 2017-2018, and how well the Council is meeting statutory requirements under the Social Services and Wellbeing Act 2014 and the improvement priorities for 2018-2019. The report also considers performance against national outcomes set by the Well-being of Future Generations (Wales) Act 2015.

Resolved that:

- 1) The Director of Social Services Annual Report 2017-2018 be received.

59. Statement of Accounts 2017/18

The Section 151 Officer submitted a report which sought approval of the Statement of Accounts 2017-2018 on or before 30 September 2018.

Resolved that the 2017-2018 Statement of Accounts as set out in Appendix A of the report be approved.

60. Treasury Management Annual Report 2017/18.

The Section 151 Officer submitted an information report which detailed the Council's Treasury Management activities during 2017-2018 and compared actual performance against the strategy laid down at the start of the year.

Note: Councillor P M Black asked "What is the nature of the loan from the Welsh Government referred to on Page 132 under the Debt Portfolio?"

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

61. Democratic Services Committee Annual Report (25 May 2017 – 23 May 2018).

The Chair of Democratic Services presented an information report, which provided the Democratic Services Annual Report for the period 25 May 2017 to 23 May 2018. The reports outlines the work of the Committee during that period.

Resolved that the report be noted.

62. Extension of Term of Office for Independent (Co-opted) Member of the Standards Committee.

The Head of Democratic Services submitted a report, which sought agreement to re-appoint Jill Burgess as an Independent (Co-opted) Member of the Standards Committee for a further 4 year term.

Resolved that:

- 1) Jill Burgess be re-appointed as an Independent (Co-opted) Member of the Standards Committee for one further consecutive term of office;
- 2) Her term of office will end on 18 October 2022.

63. Membership of Committees.

The Business Transformation & Performance Cabinet Member submitted a report which sought Council approval to the nominations / amendments to the membership of Council Bodies.

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) **Western Bay Adoption Panel**
Remove Councillor M C Child.
Add Councillor E J King.

Resolved that the membership of the Council Bodies listed below be amended as follows:

- 1) **Audit Committee**
Remove Labour Vacancy.
Add Councillor E T Kirchner.
- 2) **Scrutiny Programme Committee**
Remove Councillor B Hopkins.
Add Councillor S Pritchard.

64. Councillors' Questions.

1) **Part A “Supplementary Questions”**

Seven (7) Part A ‘Supplementary Questions’ were submitted. The relevant Cabinet Member(s) responded by way of written answers contained in the Council Summons.

Those supplementary question(s) required a written response are listed below:

Question 2

Councillor A M Day asked the relevant Cabinet Member for a list of the current membership of the NEET Board?

The Education Improvement, Learning and Skills Cabinet Member stated that following a number of Officers leaving the Authority that she was in the process of addressing its membership and that she would circulated the new membership once available.

Question 5

Councillor C A Holley asked the relevant Cabinet Member under what basis was Freedom Leisure Trading i.e. were they a Charitable Trust, a Trust or a Trading Company?

The Investment, Regeneration & Tourism Cabinet Member stated that a written response would be provided.

2) **Part B ‘Questions not requiring Supplementary Questions’**

Five (5) Part B ‘Questions not requiring Supplementary Questions’ were submitted.

The meeting ended at 6.32 pm

Chair



City and County of Swansea

Minutes of the Council

Council Chamber, Guildhall, Swansea

Thursday, 4 October 2018 at 4.00 pm

Present: Councillor D Phillips (Lord Mayor) (Chair) Presided

Councillor(s)

P M Black
J E Burtonshaw
S E Crouch
J P Curtice
N J Davies
C R Doyle
M Durke
W Evans
E W Fitzgerald
R Francis-Davies
L S Gibbard
K M Griffiths
D W Helliwell
T J Hennegan
P R Hood-Williams

Councillor(s)

D H Hopkins
O G James
L James
Y V Jardine
M H Jones
P K Jones
S M Jones
L R Jones
J W Jones
E J King
M B Lewis
W G Lewis
A S Lewis
C E Lloyd
P Lloyd

Councillor(s)

P M Matthews
P N May
S Pritchard
J A Raynor
C Richards
K M Roberts
M Sherwood
A H Stevens
D W W Thomas
W G Thomas
M Thomas
L J Tyler-Lloyd
L V Walton
T M White

Apologies for Absence

Councillor(s): C Anderson, M C Child, A M Day, V M Evans, S J Gallagher, F M Gordon, C A Holley, B Hopkins, M A Langstone, I E Mann, H M Morris, C L Philpott, A Pugh, B J Rowlands, R C Stewart, M Sykes, G J Tanner and L G Thomas

65. Disclosures of Personal and Prejudicial Interests.

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

66. Filming of Ceremonial Meeting of Council

The Lord Mayor proposed and it was resolved that those present be permitted to film the proceedings of this Ceremonial Meeting of Council.

67. To confer the Honorary Freedom of the City and County of Swansea to Sir Karl Jenkins CBE B.Mus FRAM LRAM.

The Lord Mayor welcomed the Lord Lieutenant, High Sheriff, Civic Dignitaries, Distinguished Guests, Members of the Council and Sir Karl Jenkins CBE B.Mus FRAM LRAM to the Ceremonial Meeting of Council.

The Deputy Leader of the Council referred to the resolution of the Meeting of Council held on 26 July 2018 (Minute 39 refers) whereby the Council resolved to confer the Honorary Freedom of the City and County of Swansea to Sir Karl Jenkins, recognising him as one of the World's most-performed living composers. Sir Karl Jenkins is the first Welsh born composer to receive a knighthood for services to composing and crossing musical genres.

Councillor M H Jones representing the Leader of the Largest Opposition Political Group and the other Political Group Leaders spoke in support of the motion.

Resolved that the Honorary Freedom of the City and County of Swansea be conferred on Sir Karl Jenkins recognising him as one of the World's most-performed living composers.

The Lord Mayor then presented Sir Karl Jenkins with the Honorary Freedom Scroll, granting the Freedom of the City and County of Swansea.

Sir Karl Jenkins responded by thanking the Council for the honour.

The meeting ended at 4.17 pm

Chair



Report of the Chief Legal Officer

Council – 25 October 2018

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 Ordinary Meeting of Council on 20 September 2018.

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
20 September 2018**

1.	<p>Councillor P M Black</p> <p>In relation to Agenda Item 14 - Treasury Management Annual Report 2017-2018 What is the nature of the loan from the Welsh Government referred to on Page 132 under the Debt Portfolio.</p> <p>Response of the Leader This is an award of funding by way of repayable loan up to a maximum of £6.2m, of which up to £5.5m could be claimed for 2017-18 – which we have claimed in full for 2017-18 and hence disclosed in our treasury report.</p> <p>The award of Funding is in relation to working up the retail and leisure led Swansea Central Scheme - as effectively an economic development led Welsh Government enabling loan. The Purposes of the Funding is to support Council to work up the retail and leisure led Swansea Central Scheme to a point of readiness for development. The Funding is to be used to contribute to the cost of purchasing professional services.</p> <p>This would be on the following basis:-</p> <ul style="list-style-type: none"> • Repayable loan of total up to £6.2m, up to £5.5m (claimed in full) for 17-18 • 0% interest • Repayable in equal annual sums payable on the first day of April in each year commencing on 01/04/22 and with the final payment made 01/04/38.
2.	<p>Councillor W G Thomas</p> <p>In relation to Agenda Item 18 - Councillors' Questions –Question 2 Asked the relevant Cabinet Member for a list of the current membership of the NEET Board.</p> <p>Response of the Cabinet Member for Education & Skills Changes in personnel in the Council and our partner organisations provides us with an opportunity to review our work with NEETs young people. We will shortly be holding a workshop looking at how best to support the very complex needs of the small percentage of pupils recorded as NEET.</p> <p>The management, delivery and scrutiny structures to provide support to achieve long term employment and training will evolve from the workshop with all the stakeholders.</p>
3.	<p>Councillor C A Holley</p> <p>In relation to Agenda Item - Councillors' Questions – Question 5 Asked the relevant Cabinet Member under what basis was Freedom Leisure Trading i.e. were they a Charitable Trust, a Trust or a Trading Company.</p>

	<p>Response of the Cabinet Member for Investment, Regeneration & Tourism</p> <p>Freedom Leisure are a not for profit charitable trust, with a governance structure that was been set up specifically for the purposes of delivering Leisure Centres. Their organisational make up means that they must distribute any surpluses generated across their 80 plus leisure sites back into delivering leisure facilities. This continual cycle of investment into their businesses reduces costs and increase income, particularly when investments are in the appropriate areas to maximise commercial opportunities (increased gym sizes) and drive down costs (reduced utilities).</p> <p>With a large number of contracts and facilities in their portfolio, there are economies of scale advantages from suppliers and contractors, and they will have and own consistent and established marketing strategies, all of which reduces overheads. Similarly in relation to staffing, whilst they typically TUPE transfer facility based staff from Councils or other contractors into their organisation on transferring terms, they have an established Head Office team that is dedicated to supporting all elements of their operational delivery across each element of the business, from finance, HR, marketing, safety and operations. Finally, their business structure offers them excellent VAT and Business rates advantages, again reducing overheads.</p>

Agenda Item 9.



Report of the Chair of the Audit Committee

Council – 25 October 2018

Audit Committee Annual Report 2017/18

Purpose:	This report provides the final Audit Committee Annual Report 2017/18 municipal year.
Report Authors:	Simon Cockings / Paula O'Connor
Finance Officer:	Simon Cockings
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar
For Information	

1. Introduction

- 1.1 The Council is required, under Local Government (Wales) Measure 2011 to have an Audit Committee
- 1.2 The CIPFA publication '*Audit Committee - Practical Guidance for Local Authorities and Police Bodies*' states that Audit Committees should be independent and accountable and suggests that one of the ways of being accountable is to produce an annual assessment of performance in the form of an annual report.

2. Audit Committee Annual Report 2017/18

- 2.1 The Audit Committee Annual Report 2017/18 is attached in Appendix 1.

3. Equality and Engagement Implications

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

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Legal Implications

5.1 Part of the role of the Audit Committee as set out by the Local Government (Wales) Measure 2011 is to make reports and recommendations in relation to the authority's financial affairs, including an assessment of the risk management and corporate government arrangements and the adequacy and effectiveness of those arrangements.

Background Papers: None

Appendices: Appendix 1 - Audit Committee Annual Report 2017/18
Appendix 2 - Performance Review 2016/17 Key Findings Update
Appendix 3 - Audit Committee Performance Review 2017/18

Audit Committee Annual Report 2017/18

1. Foreword by Mrs Paula O'Connor, Chair of the Audit Committee

- 1.1 This report provides an overview of the Audit Committee's work in the municipal year 2017/18. The previous Lay Member and Chair of the Committee resigned with effect from the 31st January 2018 and I became elected as Lay Member and Chair for the remainder of the Municipal year on 10th April 2018.
- 1.2 I am pleased to present this report prepared by the Chief Auditor that reflects on the work of the Audit Committee under the previous Lay Member and Chair, it also contains the outcome of the review of the Committee's performance against the best practice CIPFA framework with recommendations to enhance the Committee's effectiveness as the 2018/19 year progresses.
- 1.3 As the newly appointed Lay Member and elected Chair I have considered the information received at the Audit Committee meetings during 2017/18 and it is evident that the Committee received professional support from Finance, External Audit (Wales Audit Office), Internal Audit, and Risk Management. Additionally, the previous Chair actively met with Heads of Service where the internal audit work resulted in a moderate or limited level of assurance in order to drive improvement.
- 1.4 I also note that in February 2017 the Wales Audit Office annual performance review of the Audit Committee confirmed that the Audit Committee felt that it was performing well against the Core Principles but noted some areas for improvement particularly with regard to the Committee's involvement and awareness of Risk Management. In November 2017 the Committee were provided with an update report that outlined progress against the recommendations from the February 2017 performance review; this report confirmed progress but some recommendations will continue to be progressed in 2018/19.
- 1.5 Since my appointment as Chair, and the appointment of Deputy Chair Paxton Hood-Williams, we have been supported by Officers of the Council for which we are very grateful. I would also wish to record my thanks to all Elected Members who serves on the Committee that have welcomed me into this role.
- 1.6 The Committee has a broad and important role and therefore it has reflected on the effectiveness of governance, risk management and control that supports and informs the Council's Annual Governance Statement in 2017/18.
- 1.7 Recently, enhancements to the Audit Committee's work plan were actioned to ensure that the work plan directly links to the Committee's Terms of

Reference and the Committee has requested clarity on the Council's assurance framework and detail behind the corporate risk register.

- 1.8 The Wales Audit Office annual performance review undertaken in June 2018 is attached to this report and progress against action to the recommendations made will be monitored on a regular basis throughout 2018/19. Looking forward to 2018/19, the financial challenges facing the Council along with increasing demand for services and improving performance, within this context the importance of an effective Audit Committee remains critical.

2. Introduction

- 2.1 The Council is required, under the Local Government (Wales) Measure 2011 to have an Audit Committee which among other things must include at least one lay member.
- 2.2 The Measure requires the Audit Committee to review and scrutinise the Council's financial affairs, risk management, internal control and governance arrangements. It also requires the Committee to oversee the Council's internal and external audit arrangements and review its financial statements.
- 2.3 The work of the Audit Committee is structured so that the Committee can gain assurance over the areas identified above and to comply with its terms of reference.
- 2.4 This draft report describes the assurance that has been gained by the Audit Committee from various sources during 2017/18 and also outlines a number of other areas where briefings have been provided to the Committee.
- 2.5 The draft Audit Committee Annual Report 2017/18 is reported to the Committee to provide members with the opportunity to give their views on the assurances received and to identify the key messages arising from the work of the Committee during the year which should be reported to Council.
- 2.6 The draft report will be amended for any comments made at this meeting with the final report being presented to the Audit Committee in September for formal approval. The Chair will then present the Annual Report to Council later in the year.

3. Committee Membership

- 3.1 The membership of the Audit Committee during 2017/18 is shown in the following table:

Mr AM Thomas – Lay Member
and Chair (to 31/01/18)
Cllr L James – Vice Chair
Cllr S Pritchard
Cllr TM White
Cllr PR Hood-Williams
Cllr C Anderson
Cllr JW Jones
Cllr PK Jones

Mrs Paula O'Connor – Lay Member
and Chair (from 10/04/18)
Cllr TJ Hennegan
Cllr LV Walton
Cllr OG James
Cllr MB Lewis
Cllr WG Thomas
Cllr B Hopkins

- 3.2 There were a number of changes to the membership of the Audit Committee during 2017/18. Of the current committee members, 7 were also members in 2016/17. The previous Lay Member and Chair of the committee resigned with effect from the 31/01/18 and was replaced Mrs Paula O'Connor as Lay Member on 08/03/18 who was also elected as chair for the remainder of the Municipal year on 10/04/18.
- 3.3 The Committee moved to a schedule of 2-monthly meetings in 2015/16 however it was recognised that the agenda for the 2-monthly meetings were becoming excessively long so a number of special meetings were arranged to help smooth out the Committee's work programme.
- 3.4 The Committee met on 8 occasions during 2017/18. Over the course of the year, attendance at the meetings was 66%

4. Internal Audit Assurance

- 4.1 The Audit Committee approved the Internal Audit Charter 2018/19 as required by the Public Sector Internal Audit Standards.
- 4.2 The Audit Committee also approved the Internal Audit Annual Plan 2018/19 and has received quarterly monitoring reports from the Chief Auditor showing progress against the 2017/18 Audit Plan.
- 4.3 The quarterly monitoring reports identified any audits that received a moderate or limited level of assurance along with an outline of the issues which led to the audit receiving the negative assurance level.
- 4.4 The previous Chair has written to a number of Heads of Service where audits in their area of responsibility received a moderate or limited level of assurance to raise the concerns of the Committee and to highlight the need for improvement in controls.
- 4.5 The previous Chair has also met with the Head of Service where the audit received a moderate or limited level of assurance at the previous audit. The Committee's view is that this indicates that the service has failed to improve since the previous audit which therefore requires a firmer response from the Committee to support the findings of the Internal Audit Section.

- 4.6 Following the appointment of the new Chair and as a result of further discussions with committee members, it was decided that from April 2018 the relevant Head of Service and Service Manager would be required to attend Audit Committee following a moderate or limited audit report being issued in order to provide an update to members as to what action is being taken to address the issues that have been highlighted by the audit.
- 4.7 The Internal Audit Annual Report 2016/17 was reported to the Audit Committee which included a review of actual work completed compared to the Annual Plan.
- 4.8 The Internal Audit Annual Report also included the Chief Auditor's opinion on the internal control environment for 2016/17 which stated that based on the audit testing carried out reasonable assurance can be given that the systems of internal control are operating effectively and that no significant weaknesses were identified which would have a material impact on the Council's financial affairs.
- 4.9 The Internal Audit Annual Report 2017/18 is due to be presented to the Audit Committee on the 14th August 2018 which includes a review of actual work completed compared to the Annual Plan for 2017/18.
- 4.10 The Internal Audit Annual Report for 2017/18 also includes the Chief Auditor's opinion on the internal control environment for 2017/18 which also states that based on the audit testing carried out reasonable assurance can be given that the systems of internal control are operating effectively and that no significant weaknesses were identified which would have a material impact on the Council's financial affairs.
- 4.11 The Internal Audit Annual Report of School Audits 2016/17 was presented to the Audit Committee. This report summarised the school audits undertaken during the year and identified some common themes identified across school audits.

5. Annual Governance Statement 2016/17

- 5.1 The draft Annual Governance Statement 2016/17 was presented to the Audit Committee prior to being reported to Council for approval.
- 5.2 This gave the Committee the opportunity to review and comment upon the Statement and to ensure that it properly reflected the assurances provided to the Committee over the course of the year.

6. Annual Statement of Accounts 2016/17

- 6.1 The Strategic Finance Manager (Corporate) presented the draft Statement of Accounts 2016/17 for the Council and the Pension Fund to the Committee and answered a number of queries raised by members of the Committee.

- 6.2 Following completion of the audit of the Statement of Accounts 2016/17, the Wales Audit Office presented its ISA 260 reports on the audit of financial statements of the Council and Pension Fund to the Audit Committee prior to the reports going to Council. The reports presented the detailed findings of the audit and stated that the Wales Audit Office view was that the accounts gave a true and fair view of the financial position of the Council and Pension Fund.

7. External Audit Assurance

- 7.1 As well as the Audit of the Statement of Accounts reports mentioned above, the Wales Audit Office also provided an update report to the majority of scheduled meetings. The report outlined the progress being made in financial and performance audit work to the Committee.
- 7.2 The Wales Audit Office also provided assurance to the Audit Committee by presenting the following reports:
- Certification of Grants and Returns 2016/17
 - Savings Planning Report
 - Good Governance When Determining Significant Service Changes
 - Annual Audit Letter 2016/17
 - Wales Audit Office Audit Plan 2017/18 including performance and financial audit work

8. Implementation of Audit Recommendations

- 8.1 An important role undertaken by the Audit Committee is monitoring the implementation of agreed audit recommendations arising from both internal and external auditors.
- 8.2 The implementation of any Internal Audit recommendations arising from the fundamental audits is reported to the Audit Committee in the Recommendations Tracker report. For 2016/17, the results of the tracker exercise showed that 86% of agreed recommendations had been implemented by 30 November 2017.
- 8.3 The implementation of any high or medium risk recommendations arising from non-fundamental audits that received a moderate or limited level of assurance are subject to follow up visits by Internal Audit to confirm they have been implemented. The results of the follow ups are reported to the Audit Committee in the quarterly Internal Audit Monitoring Reports.
- 8.4 A number of follow up audits were reported to the Committee during 2017/18 and in some cases it was found that substantial progress had been made by management in implementing the agreed recommendations within the agreed timescale.
- 8.5 However, it was disappointing that a number of audits were identified where substantial progress had not been made in implementing the agreed

recommendations and in some cases a 2nd follow up visit had to be scheduled.

- 8.6 It should be noted that from April 2018 onwards, a new approach was agreed by Committee in relation to those audits receiving a limited or moderate level of assurance. In such circumstances, the Head of Service and Service Manager are now required to attend Audit Committee shortly after the report has been issued to provide Members with an explanation as to what action is being taken to address the issues that were identified as part of the audit. It is envisaged that this will assist in ensuring recommendations are implemented promptly following the issue of the report and prior to the standard follow up visit.
- 8.7 The Internal Controls Report presented to the Audit Committee by the external auditors includes any recommendations made as a result of their work and the action taken by management to implement the recommendations.

9. Risk Management

- 9.1 The Local Government (Wales) Measure 2011 makes the overview of risk management a function of the Audit Committee
- 9.2 A training presentation was made to the Committee on Risk Management during the year. In addition, the Committee received an additional presentation from the Strategic Delivery & Performance Manager in relation to the updated Risk Management Policy & Framework that was introduced in year.
- 9.3 The Strategic Delivery & Performance Manager also provided regular updates to the Committee in relation to Risk Management throughout the year.
- 9.4 It should also be noted that the Committee was granted access to the Corporate Risk Register early in the 2018/19 Municipal Year. However, at the time of compiling this report some Members were experiencing difficulties accessing the electronic registers. The Strategic Delivery and Performance Manager is working to address this issue to ensure all members have online access. A copy of the detail behind the headline risks that are currently recorded on the Corporate Risk Register was presented to Committee in August 2018 in order to further strengthen Committee's understanding of current risk management controls.

10. Performance Audit

- 10.1 The Audit Committee received regular briefings from the Wales Audit Office on the performance audit work being undertaken within the City and County of Swansea.

11. Relationship with Scrutiny Function

- 11.1 The Audit Committee has continued to develop a relationship with the Scrutiny function. The relationship is intended to ensure the following:
- Mutual awareness and understanding of the work of Scrutiny and the Audit Committee.
 - Respective workplans are coordinated to avoid duplication / gaps.
 - Clear mechanism for referral of issues if necessary.
- 11.2 The Chair of the Scrutiny Programme Committee has attended the Audit Committee to provide an update on the work of Scrutiny.
- 11.3 In previous years the Chair of the Audit Committee has attended the Scrutiny Programme Committee to provide an update on the work of the Audit Committee. Due to the resignation of the previous chair this did not take place in 2017/18. However, the Audit Committee Workplan for 2017/18 was shared with the Scrutiny Programme Committee and it is envisaged that the newly appointed Chair will attend a Scrutiny Programme Committee meeting in 2018/19.

12. Anti-Fraud

- 12.1 A Corporate Fraud Function was established during 2015/16 within the Internal Audit Section and the Corporate Fraud Annual Plan 2017/18 and Corporate Fraud Team Annual Report 2016/17 were presented to the Audit Committee.
- 12.2 An update on the work of the Corporate Fraud Team in 2017/18 and the Corporate Fraud Annual Plan 2018/19 were also presented to the Committee.

13. Briefings

- 13.1 The Audit Committee received a number of briefings during 2017/18 as noted below:
- Work of Policy Development & Delivery Committees
 - Internal Audit Plan Methodology
 - Risk Management Policy & Framework
 - Review of Revenue Reserves Report 2016/17
 - Treasury Management Annual Report 2016/17

14. Audit Committee Training

- 14.1 Training was provided in the follow areas which are included in the terms of reference of the Audit Committee

- Internal Audit
- Governance
- Standards in Public Life
- External Audit
- Financial Statements
- Risk Management
- Counter Fraud

- 14.2 The training in 2017/18 was delivered in short sessions with, for example, one topic being covered at the start of each meeting and limited to 30 minutes where possible.

15. Action Tracker Report

- 15.1 An Action Tracker Report was added to the agenda of each meeting in 2017/18 to allow the Committee to monitor the action taken in response to any decisions made by the Committee. The report was well received as it provided a way for members to monitor progress in implementing the actions decided by the Committee.

16. Audit Committee – Performance Review 2017/18

- 16.1 The Audit Committee's annual performance review for 2017/18 was facilitated by the Wales Audit Office. The format of the Performance Review was for the members of the Committee to review the Committee's performance against the 7 Core Functions of an Audit Committee which had been established by CIPFA.
- 16.2 The members of the Audit Committee were individually asked to score the Committee's performance against each of the Core Functions using a scoring range of 1 to 10. Committee members were also asked to individually identify what they thought the Committee was doing well in relation to each Core Function and what the Committee could do better.
- 16.3 The Wales Audit Office captured the views of the Audit Committee in relation to each Core Function and has produced the summary shown in Appendix 3.
- 16.4 The Wales Audit Office has also identified the key findings of the Performance Review based on the views of the Audit Committee members. The key findings are shown below:
- Assurance Framework – The Audit Committee needs clarity on the Council's Assurance Framework.
 - Risk Register – The Audit Committee needs to see the detail behind the Corporate Risk Register.
 - Annual Governance Statement (AGS) – The Audit Committee would like to see the AGS separated from the Annual Accounts and a draft copy sent to them for comment prior to approval.

- Benchmarking – The Chair has provided benchmarking detail to Internal Audit (from other Councils) but there are no plans to visit and meet with other Audit Committees:
 - Consider how to best use this benchmarking information.
 - Consider visits to other audit committees to search for good practice.
 - Council Objectives – The Audit Committee would like to see the amount of over-run and deferred audits to be included in the AGS.
 - Partnerships – Review the mechanisms for assessing and scrutinising the risk associated with partnerships.
 - Reporting – produce a programme of expected external reports for Audit Committee to receive.
 - Recommendations – produce a tracker for the recommendations that arise from the work of internal and external audit so that Audit Committee can effectively monitor progress.
 - Wales Audit Office (WAO) escalation process – clarify the process the WAO uses to escalate actions when recommendations have not been completed.
 - Meeting with WAO – consider who should attend meetings with the WAO as external auditor (just the Chair or the whole committee).
- 16.5 The key findings of the Performance Review identified above will be turned into an Action Plan which will be reported to the Audit Committee at the September 2018 meeting and periodically throughout the year so that the Committee can monitor the progress made in addressing the issues arising from the Performance Review.
- 16.6 Overall, the outcome of the Performance Review is that the Audit Committee judged the Committee positively with a range of 5.5-7.5 out of a score of 10 for six of the seven (CIPFA) Core Functions. The Core Function 1 relating to understanding of the Council's assurance framework and risk scored at 3.6. Eleven key findings were raised by the Wales Audit Office for taking forward in 2018/19 that would further strengthen the effectiveness of the Audit Committee.

17. Performance Review 2016/17 – Review of Actions

- 17.1 The Audit Committee's annual performance review for 2016/17 was facilitated by the Wales Audit Office in February 2017.
- 17.2 Overall, the outcome of the Performance Review was that the Audit Committee felt that it is performing well against the Core Principles. However, some areas for improvement were noted in relation to Committee involvement and awareness of Risk Management. It was also felt that there were a number of issues which could be addressed during the year which would allow the Committee to provide a greater level of assurance to the Council.
- 17.3 Committee were provided with an update report in November 2017 outlining the progress that had been made to date against the key findings

of the 2016/17 performance review. The update included a number of proposals aimed at further developing the Committee in line with the findings of the review. Unfortunately, as a result of the then Chair of the Committee giving notice of his intention to resign from post, the proposals and key findings were not progressed any further as the Chair wasn't in attendance at any further meetings.

17.4 A new Chair was appointed in March 2018 and an update report was presented to Audit Committee in June 2018 so that any relevant key findings outstanding could be considered as part of the 2017/18 performance review.

17.5 A summary of the key findings arising from the 2016/17 performance review can be found in Appendix 2, together with a brief update as to the actions that have been taken as presented to the Committee in the update report in June 2018.

18. Future Audit Committee Meetings

18.1 The Council Diary for the new municipal year continues to include Audit Committee meetings on a 2 monthly basis.

18.2 However, based on the experience in previous years, it is clear that special meetings may need to be held at certain times of the year to ensure the smooth delivery of the Committee's work programme. The Committee also has the ability to call further additional meetings when required.

19. Equality and Engagement Implications

19.1 There are no equality and engagement implications associated with this report

20. Financial Implications

20.1 There are no financial implications associated with this report.

21. Legal Implications

21.1 Part of the role of the Audit Committee as set out by the Local Government (Wales) Measure 2011 is to make reports and recommendations in relation to the authority's financial affairs, including an assessment of the risk management and corporate government arrangements and the adequacy and effectiveness of those arrangements.

PERFORMANCE REVIEW 2016/17 - KEY FINDINGS UPDATE

Key Finding	Progress to Date
1. Risk Management - provide more detailed information (Risk Register) to Audit Committee	In order to provide more information to Committee, periodic updates from the Business Performance Manager have been added to the Committee Workplan. Committee has also received Risk Management Training as well as an overview of the updated Risk Management Policy and Framework. Committee members have also been granted access to the Corporate Risk Register.
2. Risk Management – develop ‘what if’ scenarios	
3. Other regulators – see the work of other regulators at the Council (CSSIW, Estyn, PSoW)	As reported to Committee in November 2017 it is envisaged that the periodic updates from the Business Performance Manager will include information covering these areas.
4. Tracking of recommendations – central place for all recommendations	Not progressed – to be discussed as part of the 2017/18 performance review if still considered to be relevant.
5. Tracking of recommendations – look at timescales – is 12 months too long?	
6. Meeting with the Audit Committee in private – should all members of Audit Committee meet with WAO rather than just the Chair?	
7. Good Practice – look at other bodies e.g. Police, NHS	The proposal for committee member to consider attendance at other bodies Audit Committee meetings to identify any best practices that may be adopted was included in the update report presented to Committee in November 2017. A proposal was also put forward for discussion in relation to inviting contacts from other bodies Audit Committees to attend meetings to provide feedback. These proposals were not progressed.
8. Good Practice – WAO to signpost good examples	The proposal for Wales Audit Office to suggest any best practice identified from work with other Audit Committees was included in the update report presented to Committee in November 2017. However, this was not progressed.
9. Development of Audit Committee – look at other Audit Committee’s to benchmark and for good practice	As per the update for key finding number 7.
10. Development of Audit Committee – train with members of other Audit Committee’s	As per the update for key finding number 7.
11. Attendance – improve attendance from Members and Officers	Not progressed – to be discussed as part of the 2017/18 performance review if still considered to be relevant.

(As reported to Committee on 09/11/17)

Focus Group	City and County of Swansea Audit Committee
Date	Tuesday 26 June 2018
Location	Swansea Guildhall – Committee Room 5
Facilitators	Gareth W Lewis and David Williams
Attendees	Eight members of the Audit Committee, including the Chair and Vice Chair. One member of the Internal Audit team

Key Findings

- **Assurance framework** - The Audit Committee needs clarity on the Council's assurance framework.
- **Risk Register** - The Audit Committee needs to see the detail behind the corporate risk register.
- **AGS** - The Audit Committee would like the AGS separated from the Annual Accounts and a draft copy sent to them for comment prior to approval.
- **Benchmarking** - The Chair has provided benchmarking detail to Internal Audit (from other Councils) but there are no plans to visit and meet with other Audit Committees:
 - Consider how best to use this benchmarking information;
 - Consider visits to other audit committees to search for good practice.
- **Council objectives** – the Audit Committee would like to see a clear link between the Council's objectives and the Internal Audit work plan.
- **AGS** – The Audit Committee would like to see the amount of over-run and deferred audits to be included in the AGS.
- **Partnerships** – review the mechanisms for assessing and scrutinising the risks associated with partnerships.
- **Reporting** – produce a programme of expected external reports for Audit Committee to receive.
- **Recommendations** – produce a tracker for the recommendations that arise from the work of internal and external audit so that Audit Committee can effectively monitor progress.
- **WAO escalation process** – clarify the process the WAO uses to escalate actions when recommendations have not been completed.
- **Meeting with the WAO** – consider who should attend meetings with the WAO as external auditor (just the Chair or the whole committee).

Core Function 1

Be satisfied that the authority's **assurance statements**, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and **demonstrate how governance supports** the achievements of the authority's objectives.

Scoring:

- 0 (not seen the AGS); 0; 2; 3; 4 (haven't seen it); 6; 7; 7
- Total = 29
- Average = 3.6

- New members on Audit Committee haven't seen this year's AGS.
- There is no access to the risk register – all the Audit Committee gets is the number of risks. The Committee knows there are 31 high level corporate risks but does not see any of the detail behind that number. The committee sees some element of risk but does not get to see the detail or the significance of the risks. This has been an ongoing issue for some time and is an area of concern for the Audit Committee.
- assurance framework – the Chair of the Audit Committee has asked to meet with the CE to discuss this issue. She will then feedback to the members of the committee.
- Some members of the Audit Committee struggle with the term 'assurance' and what it means?

They asked for training to be provided to new members.

- The Audit Committee does not see a draft version of the AGS to provide comment on.
- The Audit Committee felt the AGS was buried within the Annual Accounts – could it be separated and sent to Audit Committee separately?
- The Head of Internal Audit presents a risk-based audit plan to the Audit Committee – the committee has asked for more exposure to the pieces of work contained in that plan. The plan is a step in the right direction for the committee as it keeps them informed.
- The members of the Audit Committee are relying on the officers (who have a statutory responsibility) to provide assurance – and are happy with that at present.
- It was felt that members receive less information now than in the past. The resource for providing information to the Audit Committee is challenging – there is already a tight capacity and a restructure is going on now.

Core Function 2

In relation to the authority's **internal audit** functions:

- **oversee** its independence, objectivity, performance and professionalism;
- **support** the effectiveness of the internal audit process; and
- **promote** the effective use of internal audit within the assurance framework.

Scoring:

- 5; 7; 7; 7; 8; 8; 9; 9
- Total = 60
- Average = 7.5

- The Audit Committee believes it has excellent support from Internal Audit.
- The Audit Committee believes the previous head and current Head of Internal Audit performed well.
- Cardiff Council has performed an external assurance report on the Council's Internal Audit team which was largely positive:
 - There was one item on independence that needed resolving – the Head of Internal Audit was producing the AGS. That has since been actioned so that the Monitoring Officer now produces the AGS.
- The support from Internal Audit seems good but a lot of committee members are new so have only seen a small amount of work so far.
- The Chair of Audit Committee has asked for additional items to go into the Internal Audit Plan – for example, there is no link between the work the Internal Audit team plans to do and the Council's objectives. The Head of Internal Audit has stated that consideration will be given next year to the request that the audit plan be linked to the Council's objectives more closely next year.
- The Audit Committee does not see individual internal audit reports. The committee receives a brief summary of each audit within the Head of Internal Audit's progress report. Recently, these reports have contained the overall objectives of each audit. The brief summary provides the headline reasons for why the report has been given an assurance rating of 'moderate' or below. However, the committee does not see the actions for each audit.

- The Audit Committee believe Internal Audit operates with integrity and a clear focus.
- The Audit Committee has concern over the staffing levels in Internal Audit and the loss of some specialist skills (e.g. IT Auditor) and the subsequent impact on the delivery and depth of coverage of the annual internal audit plan.
- The Audit Committee would oppose any further proposed reductions in the staffing levels of Internal Audit.
- Some audits have taken a long time (e.g. school audits) and some have been deferred from last year.
- The Audit Committee need to keep an eye on audits which over-run or are deferred from the previous year. A lot of audits regarding governance, risk and IT were deferred from last year and the committee want to see that mentioned in the AGS.
- The Internal Audit team now programme in follow-up audits on all reports labelled as 'moderate' or below. All such reports go to Audit Committee and the HoS/Manager/Chair of Governors/ Head teacher will be required to attend an Audit Committee meeting to explain and update. Audit Committee members say this approach gives the HoS a good opportunity to provide a more detailed and/or updated picture of the situation. The HoS comes to Audit Committee to clarify and show progress. The Audit Committee asked for this approach and Internal Audit supported it to make it happen. The committee members believe this approach sends the right message out too – about being accountable.

Core Function 3

Consider the effectiveness of **the authority's risk management arrangements** and the control environment. Review the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships with other organisations.

Scoring:

- 3; 3; 5; 6; 6; 7; 8; 8;
- Total = 46
- Average = 5.75

- The Audit Committee believe that partnership risk are not being looked at suitably – members feel they are not getting the answers to the questions they are asking. The committee believes that the scrutiny arrangements for partnerships are not in place.
- The City Deal is viewed as a high risk partnership arrangement.
- Certain partnership arrangements are not being scrutinised properly – members feel they are not getting to the heart of partnerships such as ERW and Western Bay. They were described as being 'off the scale'.
- The Audit Committee is getting regular updates on risk but it is not getting the required detail. Members of the committee have been given access to an on-line risk register but that has only happened recently.
- The Audit Committee has confidence in the capacity and integrity of officers.
- The Audit Committee want to discuss risk in more depth at their meetings to get the right level of assurance – at the moment all they talk about is the number of risks.
- The Audit Committee believe they are moving in the right direction with regard to risk – they talk

about it and now have on-line access to the register. But they need more detail.

- The Audit Committee believe the Risk Strategy is sound but they need more detail – they need access to the detail so they can scrutinise it properly.
- The Audit Committee do not know how risks are being mitigated or when risks are escalated to the CX. They are asking for guidance on these matters so they understand when and how risk is managed.

Core Function 4

Monitor the effectiveness of **the control environment**, including arrangements for ensuring value for money and for managing the authority's exposure to the risks of fraud and corruption.

Scoring:

- 5; 5; 6; 7; 7; 8; 8; 9
- Total = 55
- Average = 6.9

- Audit Committee members are satisfied with the work of the Council's counter fraud team – they did a presentation to the committee which gave a level of assurance.
- They felt that the measures put in place provided assurance to the Audit Committee.
- However, all of that team's work is reactive at the moment. Concerns were expressed that due to the high work load, more pro-active work to deter fraud could not be undertaken.
- The counter fraud team has a lot of work on as they are getting a lot of requests from HoS and there are two officers in the team (which is a specific function team within Internal Audit).
- Audit Committee members have not seen a lot of VFM work coming before them – but is this because it is done in Pre-decision Scrutiny when they look at the outcomes of commissioning reviews?
- Audit Committee members believed that the control gives VFM. The work of Internal Audit and counter fraud is presented to Audit Committee so they see the value they add but perhaps that work is not so transparent outside of Audit Committee.
- The Audit Committee approved the counter fraud plan of work but added the remit that the resource (the team) must be kept by the Council.
- The Internal Audit team believe that the counter fraud function is well advertised so HoS know about it and can ask for work.
- The Internal audit team are aware that NPT CBC are looking at Swansea's counter fraud team and trying to put something similar in place.

Core Function 5

Consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control

Scoring:

- 5; 6; 7; 8; 8; 8; 8; 9
- Total = 59

<ul style="list-style-type: none"> • Average = 7.4
<ul style="list-style-type: none"> • Overview and Scrutiny recently saw a report on Mental Health inspection. • The Audit Committee believe that external audit is too cautious in their reporting – the reports appear too fair and too balanced. However, the reports are thorough and easy to read. • The Audit Committee does not see external inspection agency reports (the ‘new’ Chair has not seen any since her time on the Committee). • The Chair of Audit Committee suggested putting a programme of expected reports for Audit Committee in place. This would provide clarity to the committee on what reports were coming and when – it would also provide them with the opportunity to challenge why certain reports were not coming before them. • The Audit Committee believe that Overview and Scrutiny is aware of the audit work programme and vice versa. • The Audit Committee are aware that their Chair attends one meeting of Overview, and Scrutiny and the Chair of Overview and Scrutiny attends one meeting of the Audit Committee. • The Audit Committee sees the Annual Audit Letter as part of their work. • The Audit Committee believe they see the recommendations from the WAO reports and are aware of the follow up required. However, the Chair would like to see a more structured approach to the follow up of recommendations to enable the committee to track performance, as recent WAO updates indicated progress was still ongoing for reports originally issued in 2014.

Core Function 6

Support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.

Scoring:

- 5; 6; 7; 7; 7; 8; 8; 8
- Total = 56
- Average = 7

- The Audit Committee believe that the Internal Audit has a good relationship with the WAO. In particular, there is good dialogue to make sure Internal Audit is not duplicating the work of the WAO. Committee members see the good relationship between Internal Audit and the WAO.
- The WAO attend every meeting of the Audit Committee which the committee members value greatly.
- The audit Committee members could not think of any bad experiences with external agencies which suggest to them that all is going well.
- Committee members feel they could reach out to the WAO at any time to meet and discuss issues.

Core Function 7

Review the financial statements, external auditor’s opinion and reports to members, and **monitor** management action in response to the issues raised by external audit.

Scoring:

- 0 (new member); 2 (new member); 5; 7; 7; 7; 8; 8
- Total = 44
- Average = 5.5

- The Audit Committee are happy for the Chair to meet the WAO alone. However, The Chair stated she thought it would be beneficial for all of the committee to meet with the WAO. The Committee stated that the NHS and the Assembly Commission meet as a whole committee with external and internal auditors.
- The Audit Committee are concerned about the time it is taking to close down actions from audit work – further work is required to track the actions/recommendations so the Committee can monitor completion. Internal Audit were unclear as to how external recommendations were tracked and monitored.
- The follow up and completion of Internal Audit recommendations seems to happen more quickly to the Committee. Internal Audit stated that they categorise their work under four levels of assurance – anything that is graded ‘moderate’ or below has a follow-up audit programmed in for three months and the HoS is called to update the Audit Committee.
- The Audit Committee is unclear on the WAO process for monitoring recommendation completion.
- The Audit Committee is not aware of the escalation process the WAO follows when actions/recommendations are not completed.
- The Audit Committee believed there are significant delays in actioning external audit recommendations and that there is work for the Audit Committee and WAO to do here – the Audit Committee would like to track recommendations in committee meetings and would like to develop a tracker with the Internal Audit team.

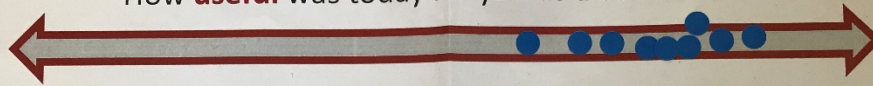
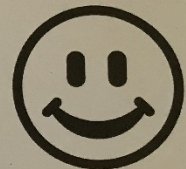
Exit Questions

What one thing would you improve? (5 replies)

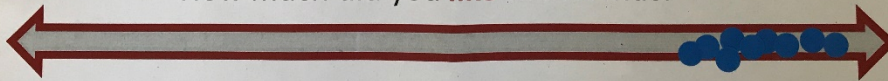
- Better understanding of risks and how to action.
- Get a grip on the risk register and associated risks.
- Improve reporting content to Audit Committee on governance, the assurance framework and risk.
- Separate Annual Governance Statement for Audit Committee to consider and approve (Separate to Annual Accounts).
- Greater freedom to choose different areas of the Council’s finances to look into.

How was today?

How **useful** was today for you as a committee?



How much did you **like** the format?





Report of the Cabinet Member for Business Transformation & Performance

Council – 25 October 2018

Annual Review of Well-being Objectives and Corporate Plan 2018/22

Purpose:	To publish a refreshed Corporate Plan containing the Council's Well-Being Objectives for 2018/22 in line with the requirements set out within the Well-Being of Future Generations (Wales) Act 2015 and statutory guidance relating to Public Bodies.
Policy Framework:	Corporate Plan 2017/22 <i>Delivering a Successful and Sustainable Swansea</i> .
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: 1) That the Corporate Plan 2018/22 is adopted
Report Author:	Richard Rowlands
Finance Officer:	Paul Roach
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window

1. Introduction

- 1.1 The Council has an obligation under the Well-being of Future Generations (Wales) Act (the 'Act') to undertake an annual review of its Well-being Objectives (and 'Improvement Objectives' under the Local Government (Wales) Measure 2009), which are set out in the Council's Corporate Plan.

2. Review of Well-being Objectives and Corporate Plan refresh

- 2.1 The Corporate Plan has been refreshed for 2018/22. This follows the production by the Public Service Board (PSB) of its Well-being Plan, a

review of progress during 2017/18 and an assessment of the evidence, looking at how we can close any gaps and further maximise our contribution to the national goals established by the Act.

- 2.2 The main outcome from the review has been the addition of a sixth Well-being Objective to the Corporate Plan – *‘Maintaining and enhancing Swansea’s Natural Resources and Biodiversity’*.
- 2.3 Although there was no specific Well-being Objective associated with nature in the Corporate Plan prior to 2018/19, the Council’s Well-being Objectives are an integrated set that collectively seeks to address **all** aspects of well-being, including environmental well-being.
- 2.4 However, there are a number of reasons for adding a new Well-being Objective to the Corporate Plan regarding nature –
- It will allow the Council to demonstrate that it is maximising its contribution to the national Well-being Goal for *‘A resilient Wales’ - ‘A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).’*
 - The introduction of Section 6 of the Environment (Wales) Act. This reinforces the resilient Wales goal by placing a new biodiversity and resilience of ecosystems duty on local authorities. This will require the Council to produce a Section 6 (S6) Plan. The statutory guidance suggests that best practice would be that the S6 plan forms part of the Corporate Plan.
 - The PSB has adopted *‘Working with Nature’* as one of its four Well-being Objectives. The new sixth well-being objective will help better align the Council’s with those of the PSB as set out within the Act’s statutory guidance.
 - A Scrutiny Inquiry into *‘Swansea’s Natural Environment’* is underway at the time of writing and it is likely to recommend the inclusion of a sixth well-being objective on ‘nature into the Corporate Plan for the reasons set out above.
- 2.5 Following the review, the Council’s well-being objectives described in the refreshed Corporate Plan are as follows:
- Safeguarding People from Harm.
 - Improving Education & Skills.
 - Transforming our Economy & Infrastructure.
 - Tackling Poverty.
 - Maintaining and enhancing Swansea’s Natural Resources and Biodiversity.
 - Transformation & Future Council development.

- 2.6 The Corporate Plan describes the steps being undertaken to meet the Council's Well-being Objectives and contribute to the seven national Well-being Goals outlined in the Act.
- 2.7 The Plan also sets out how the Council is maximising its contribution to the Well-being Objectives and national goals through the way in which the Council works, which is in line with sustainable principles described in the Act.
- 2.8 A copy of the refreshed Corporate Plan 2018/22 is attached at Appendix A.

3. Equality and Engagement Implications

- 3.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 3.2 Our Equality Impact Assessment process ensures that we have paid due regard to the above.
- 3.3 The Corporate Plan 2017/22 was screened for relevance for an EIA. The screening determined that a full EIA was necessary. The EIA determined that the Plan would have a positive impact on people with protected characteristics, as well as other positive impacts on equality, and that there were no concerns identified. The EIA was reviewed during the refresh of the Corporate Plan and no further changes were deemed necessary.

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: None

Appendices:

Appendix A – The City and County of Swansea's Corporate Plan 2018/22 *Delivering a Successful and Sustainable Swansea.*

Appendix B – Draft Equality Impact Assessment (EIA) Report

Delivering a Successful & Sustainable Swansea

The City & County of Swansea's Corporate Plan 2018/22

Foreword

There are a number of major challenges facing the world, the UK, Wales and Swansea. Many of these challenges require us to work in a different way to how we have worked before.

The population of Swansea just like the rest of the UK and Wales is going through some major changes. We are getting older, our communities are more diverse and the population is set to continue to grow. The ageing population also means that we are seeing increases in certain illnesses and conditions, such as dementia. A growing population and an increase in the number of households mean that providing additional and affordable housing is a priority. Levels of poverty and health inequality continue to prove to be stubbornly high. All of this is putting additional pressure on public services at a time when budgets and finance is being squeezed.

Globalisation, changes to global economic growth and shifts away from manufacturing to service and technological based economies and BREXIT creates challenges for the UK, Wales and Swansea economies but also opportunities that need to be captured and pursued if we are to fulfil our potential.

Climate change is one of the greatest dangers and challenges facing us all and we need to think how we can adapt, reduce our carbon and greenhouse emissions and reduce our risk to flooding and other significant impacts. This also involves making better use of our land and natural resources whilst seeking to protect our natural environment and improve biodiversity.

To tackle these challenges we need to work together. To give current and future generations a good quality of life we need to think about the long-term impact of the decisions we make. We have to do things differently to make things change. If we are to beat these challenges we need to think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. This will help us to create a Wales that we all want to live in, now and in the future.

None of this will be easy and will take time to fulfil. The City & County of Swansea has made a good start but there is a lot more to do. Swansea continues to push the boundaries of sustainable practice. Our values and principles together with our well-being objectives that are described in this Corporate Plan already make a significant contribution to improving the economic, environmental and cultural well-being of Wales and Swansea; but the Council needs to do more to show that it is doing all it can do contribute to the Wales and Swansea that we want and is working in a way that shows that sustainable practice is fully embedded in its business. The City & County of Swansea is fully committed to embedding sustainability as its central organising principle. It will build upon the good practice that already exists and will continue its maturing commitment to sustainable development, learning together along the way so that it shapes all that we do both now and in the future.

Cllr Rob Stewart
Leader of the Council

Phil Roberts
Chief Executive

1. Introduction – Review of the Corporate Plan and Well-Being Objectives

The City & County of Swansea published its well-being statement before 31st March 2017 as required by the Well-Being of Future Generations (Wales) Act 2015.

The well-being statement set out our key priorities for 2017/18. These priorities, known as our 'well-being objectives', are our objectives for improving the environmental, cultural and social well-being of Swansea and Wales.

We undertook to review and publish this Corporate Plan following the local government elections in May 2017.

The review of the Corporate Plan and our well-being objectives was undertaken by consulting with local people and by assessing the following evidence:

- Future trends and challenges.
- An assessment of local well-being.
- Our equality objectives, including Welsh language.
- Reference to national indicators.
- Our policy commitments.

Following this review, our Corporate Plan and our well-being objectives were revised for 2017/22 and a summary of the well-being statement was incorporated into the Plan.

The Corporate Plan describes the steps being undertaken to meet our well-being objectives and contribute to the seven national well-being goals¹ outlined in the Act.

The Plan also sets out how we are maximising our contribution to our well-being objectives and national goals through the way in which we work, which is in line with sustainable principles as follows:

- Looking ahead to the medium and long-term challenges.
- Preventing problems from occurring or from getting worse.
- Ensuring our objectives do not contradict each other and complement those of other public bodies.
- Working in partnership with others.
- Involving local people.

2. Corporate Plan Refresh 2018/22

The Corporate Plan has been refreshed for 2018/22. This follows the production by the Public Service Board (PSB) of its Well-being Plan, a review of progress and an

¹ The National Goals are: A Prosperous Wales; A Resilient Wales; A Healthier Wales; A More Equal Wales; A Wales of More Cohesive Communities; A Wales of Vibrant Culture and Thriving Welsh Language; A Globally Responsible Wales.

assessment of the evidence, looking at how we can close any gaps and further maximise our contribution to the national goals.

The main change following the review has been the addition of a sixth well-being objective to the Corporate Plan – *‘Maintaining and enhancing Swansea’s Natural Resources and Biodiversity’*

Although there was no specific well-being objective associated with nature in the Corporate Plan prior to 2018/19, the Council’s well-being objectives are an integrated set that collectively seeks to address **all** aspects of well-being, including environmental well-being

However, there are a number of reasons for adding a new well-being objective regarding nature –

- It will allow the Council to demonstrate that it is maximising its contribution to the national well-being goal for *‘A resilient Wales’ - ‘A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).’*
- The introduction of Section 6 of the Environment (Wales) Act. This reinforces the resilient Wales goal by placing a new biodiversity and resilience of ecosystems duty on local authorities². This will require the Council to produce a Section 6 (S6) Plan. The statutory guidance suggests that best practice would be that the S6 plan forms part of the Corporate Plan.
- The Public Services Board has adopted *‘Working with Nature’* as one of its four Well-being Objectives. The new sixth well-being objective will help better align the Council’s with those of the PSB as set out within the Act’s statutory guidance.
- A Scrutiny Inquiry into *‘Swansea’s Natural Environment’* is underway at the time of writing and it is likely to recommend the inclusion of a sixth well-being objective on ‘nature into the Corporate Plan for the reasons set out above.

A summary of a revision to our published well-being statement for 2018/22 follows. It incorporates changes to the well-being statement that have been made following the review of our well-being objectives and Corporate Plan.

3. Summary of Well-Being Statement

Our Corporate Plan – vision, values, principles and well-being objectives

Our Corporate Plan *Delivering a Successful & Sustainable Swansea* and our well-being objectives outline how we will work to meet present and future challenges.

² Section 6 of the Environment Act - requiring that *‘A public authority must seek to maintain and enhance biodiversity in the exercise of functions in relation to Wales, and in so doing promote the resilience of ecosystems, so far as consistent with the proper exercise of those functions.’*

The challenges ahead

Swansea faces a number of challenges in the years ahead, which include:

- Population changes – a growing, ageing and more diverse Swansea.
- Economic changes – attracting investment, high quality jobs and new technology into Swansea while addressing the skills gap.
- Climate change – risks from flooding, air and water quality, dangers to ecosystems and biodiversity and energy security.
- Social and cultural changes – addressing inequalities in health, education, employment and life chances.

We have sought to address these current and future challenges through our Corporate Plan and our well-being objectives.

Our ambitions and commitments to residents – our well-being objectives

In order to meet these challenges, we have prioritised six well-being objectives. These are:

- ***Safeguarding people from harm*** – so that our citizens are free from harm and exploitation.
- ***Improving Education & Skills*** – so that everyone in Swansea gains the skills and qualifications they need to succeed in life.
- ***Transforming our Economy & Infrastructure*** – so that Swansea has a thriving mixed use City Centre and a local economy that will support the prosperity of our citizens.
- ***Tackling Poverty*** – so that every person in Swansea can achieve his or her potential.
- ***Maintaining and enhancing Swansea's Natural Resources and Biodiversity*** – so that we maintain and enhance biodiversity, reduce our carbon footprint, improve our knowledge and understanding of our natural environment and benefit health and well-being.
- ***Transformation & Future Council development*** – so that we and the services that we provide are sustainable and fit for the future.

The well-being objective - *Maintaining and enhancing Swansea's Natural Resources and Biodiversity* – has been added during the 2018/22 refresh of our Corporate Plan and well-being objectives as previously outlined in section 2.

How we will work – our values and principles

Our values and principles expressed in our Corporate Plan underpin the delivery of our well-being objectives and reflect sustainable ways of working:

Our Values

Our Plans are built on three clear values, which guide the way that we work, how we develop as an organisation and our decision-making through the years ahead.

- **People Focus**

We will focus on community needs and outcomes and on improving the lives of the people who live and work in Swansea. We will also respect, value and support our employees and demonstrate the highest standards of integrity.

- **Working Together**

We will promote a whole partnership approach, working across services to maximise resources and knowledge and joining forces with others outside the Council to ensure we prioritise our resources and get the best for our communities.

- **Innovation**

We will promote and support a culture of innovation. We will think and work differently to improve our ability to deliver and to meet the financial, demographic and societal challenges we face. We will share learning across the Council, as part of our Innovation Programme.

Our Principles

Our Plans and priorities will be underpinned by three key principles. These principles are essential to deliver our well-being objectives and will be woven into the way that we work.

- **Sustainability**

We will work to improve the economic, social and environmental well-being of Swansea. This means making sure that the needs of the present are met without compromising the ability of future generations to meet their needs.

It is a key principle at the heart of the *Transformation & Future Council* priority and our *Sustainable Swansea – Fit for the Future* strategy, which is about transforming Council services, ensuring the financial viability of the Council and improving outcomes for residents.

As part of this, we will continue to engage with and seek the views of residents and service users. The principle of sustainability has prevention and integration at its heart and we will develop long-term plans for addressing our well-being objectives, working with others. We will also ensure that, through this approach, we meet the requirements of the *Well Being of Future Generations (Wales) Act 2015*.

- **Prevention**

We will intervene earlier in order to support people at greatest risk, change behaviours and prevent the need for costly specialist services, often with a long-term support programme. This will help to make families and communities more resilient, reduce the demand for Council services, lower costs and achieve better outcomes. We will adopt a whole-Council approach to managing the demand for services and aim to deepen our understanding of customer contact and how services can be redesigned to eliminate, reduce or divert demand.

- **Partnerships**

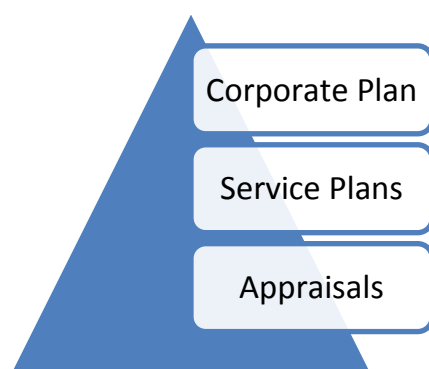
We will work together with our partners across the public, business and voluntary sectors through the Public Service Board and through other collaborative means in order to meet the shared challenges that face Swansea and its communities.

We will take a 'Team Swansea' approach, working as a whole-Council to ensure that every service can play a part in contributing to our well-being objectives and that we share resources and expertise. The needs of our residents and the major challenges facing Swansea can only be tackled through productive partnerships, greater integration of our services and pooling of resources.

Our Delivery – the steps

Our Corporate Plan demonstrates that all of our well-being objectives taken together and the steps that we are undertaking to deliver them shows our contribution to all seven national goals and to the social, economic, cultural and environmental well-being of Swansea and Wales.

Our contribution to the national goals and well-being of Swansea and Wales is not just expressed in our Corporate Plan. The Corporate Plan describes our key well-being objectives and contribution but it forms part of our wider Performance Improvement Framework, which includes departmental Service Plans; the Corporate Plan taken together with Service Plans describes our full contribution. This arrangement is outlined in the diagram below:



Our Delivery – sustainable ways of working

We will further maximise our contribution to the social, economic, cultural and environmental well-being of Swansea and Wales through embedding sustainable ways of working.

These ways of working are reflected in our values and principles but also in the steps we are taking and plan to take in order to maximise our contribution.

- **Looking ahead to the long-term challenges**

Our Corporate Plan and well-being objectives seek to address current and longer-term challenges.

We have started to further develop our capability and capacity for a longer-term strategic outlook, looking at future trends and scenarios in order to build a strategic picture looking ahead to between 10 and 25+ years. We have been working on building up a picture of what future trends might mean for the Council and for Swansea's communities in the future.

We undertook a series of workshops with staff, elected Members, our partners and the public to add to the work that we have undertaken previously, which includes how future trends might have an impact at a community level.

These workshops seek to identify a common view on future challenges and to sketch out 'what good looks like' to inform future policy development and service design and delivery.

- **Preventing problems from occurring or getting worse**

Through our well-being objectives we are working to prevent problems or to stop them from getting worse.

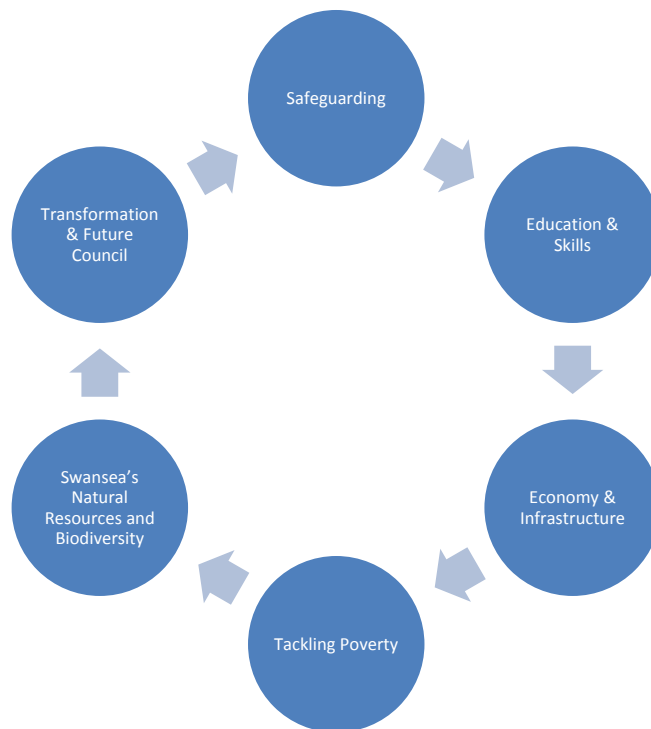
The Council needs to continue to develop its preventative approach and has to that end developed a *Prevention Strategy*. This strategy will further embed early intervention and prevention into the Council's business and place an even greater focus on improving well-being.

- **How our well-being objectives relate to each other and to those of other public bodies.**

It is important to point out though that each of our well-being objectives cannot be seen in isolation from each other. Each well-being objective both affects and is affected by the others.

For example, improving education and skills is both important to our efforts to reduce poverty and to improve the city and economy, which means transforming our education system to ensure children and young people have the necessary skills for the new economy.

This interdependency is illustrated in the diagram on the next page:



We are working to identify the connections and potential impacts of diverse policies and programmes and highlight where such policies / programmes can reinforce or undermine each other.

We have developed an integration tool that is used to identify and strengthen interdependencies.

We have used this tool to assess and review our Corporate Plan and well-being objectives, which has helped map our contribution to the national goals and identify further options for maximising the contribution to the social, economic, cultural and environmental well-being of Swansea and Wales.

During the review of the Council's well-being objectives and the Corporate Plan, Public Service Board (PSB) representatives attended one of the public consultation events to inform the development of the Plan.

Further engagement with our Public Service Board partners on our well-being objectives was undertaken in 2017 and 2018 during the production of the PSB well-being plan; PSB partners were offered the opportunity to participate in a survey to help inform the review of the Council's well-being objectives for 2018/22.

- **Working in collaboration with others**

We are collaborating with partners from the public, private and third sector in order to take steps to deliver our well-being objectives, showing our contribution and options to maximise our contribution to the social, cultural, environmental and economic well-being of Swansea and Wales.

Our full well-being statement describes examples where partnership working is key to delivering our well-being objectives. These include:

- Working with six other local authorities to deliver school improvement services.
 - Working in partnership on safeguarding with representatives of each of the main agencies and professionals who are responsible for helping to protect children and adults from abuse and neglect through the Western Bay Adult and Children's Safeguarding Boards.
 - Working with three other local authorities, the Welsh Government, Universities and the private sector through the Swansea Bay City Deal to transform the economic landscape of the area, boost the local economy by £1.8 billion, and generate almost 10,000 new jobs over the next 15 years.
- **Involving all of our citizens in what we are doing**

The Council is committed to consulting with, and involving, residents, other stakeholders and employees in the Council's decision-making process. We have a *Consultation and Engagement Strategy* in place, underpinned by a set of principles and supported by a *Consultation Toolkit* for practitioners to help them engage with residents and service users.

Swansea Voices Online Panel consists of database of residents who are regularly consulted by the Council about its services and local issues. Its membership is continually refreshed to give as many people as possible the opportunity to take part. Recent areas of consultation have included the City Centre redevelopment and priorities for the Council's budget.

In addition, the Council engages with the diversity of the population through diversity groups and forums, such as the 50+ Network, BAME Forum and LGBT Forum. Schools' pupils are involved in their education through School Councils and through *Pupil Voice*, which is directly aimed at increasing pupil participation as set out in Article 12 of the United Nations Convention of the Rights of the Child (UNCRC); Swansea was the first UK Council to adopt and embed UNCRC. The Council's *Big Conversation* events give children and young people an opportunity to discuss issues that matter to them and to influence Council policy.

Community action and involvement is central to how the Council is looking to plan and deliver services. The formation of 'Friends' groups are being supported to regenerate local parks, beaches and allotments. In social care, strengths based approaches to professional practice is also involving people and their families in helping to deal with their own problems by focussing on their strengths and assets and what they can bring to the table.

We have plans to involve more local people in the Council's decisions that affect them, their families and communities and is to that end developing a *Co-production Strategy*. We will look to establish a forum for community volunteers to involve them in the decision-making process and give them an opportunity to express their views and opinions.

Involving people in our well-being objectives

The review of our Corporate Plan and well-being objectives for 2017/22 consisted of three different approaches to involving people: (i) focus groups with young people (from 9 different secondary schools), (ii) two focus groups with members of the public and representatives from other organisations centred on identifying current and future challenges, what should be done and 'what does good look like' and (iii) two on-line surveys of members of the public and the Council's citizens panel respectively. The results from this involvement helped shape our revised Corporate Plan and well-being objectives.

The consultation and engagement on our well-being objectives identified a number of common themes and challenges. These are summarised below and are addressed through our well-being objectives:

Economic prosperity and regenerating the city centre

- Working with partners to deliver the City Deal across the region.
- Creating more apprenticeships and addressing the age gap and employment opportunities for those people further away from the labour market.
- Taking advantage of opportunities arising from the growth of new technology, science and creative industries.
- Improving the leisure, tourism and cultural offer and infrastructure of Swansea.
- Improving transport and infrastructure.
- The need for a sustainable rural economy.

Environmental challenges

- Encouraging the growth of local carbon, affordable and accessible transportation.
- Building more energy efficient homes.
- Caring for and raising awareness about the environment and promoting recycling.
- Protecting parks, providing more open spaces and promoting biodiversity.
- Investing in green technology and renewable energy.

Health, social care and well-being

- Enabling older people to live independently and to age well.
- Preventing homelessness and providing affordable housing.
- Supporting carers.
- Working with children in the early years before school.
- Tackling obesity and poor nutrition.

Cultural, social and community cohesion

- Tackle the abuse and bullying of children.
- Encourage volunteering and participation in the community.
- Staging more cultural and community events.
- Deal with hate crime and promote diversity and cohesion.

Public services and involvement in decision-making

- The need to focus on early intervention and prevention and reduce demand on public services.
- Providing more information and support on how to access services and support.
- Working more in partnership with others, including the third sector.
- Involving service users more in the planning and design of services and in decision-making.

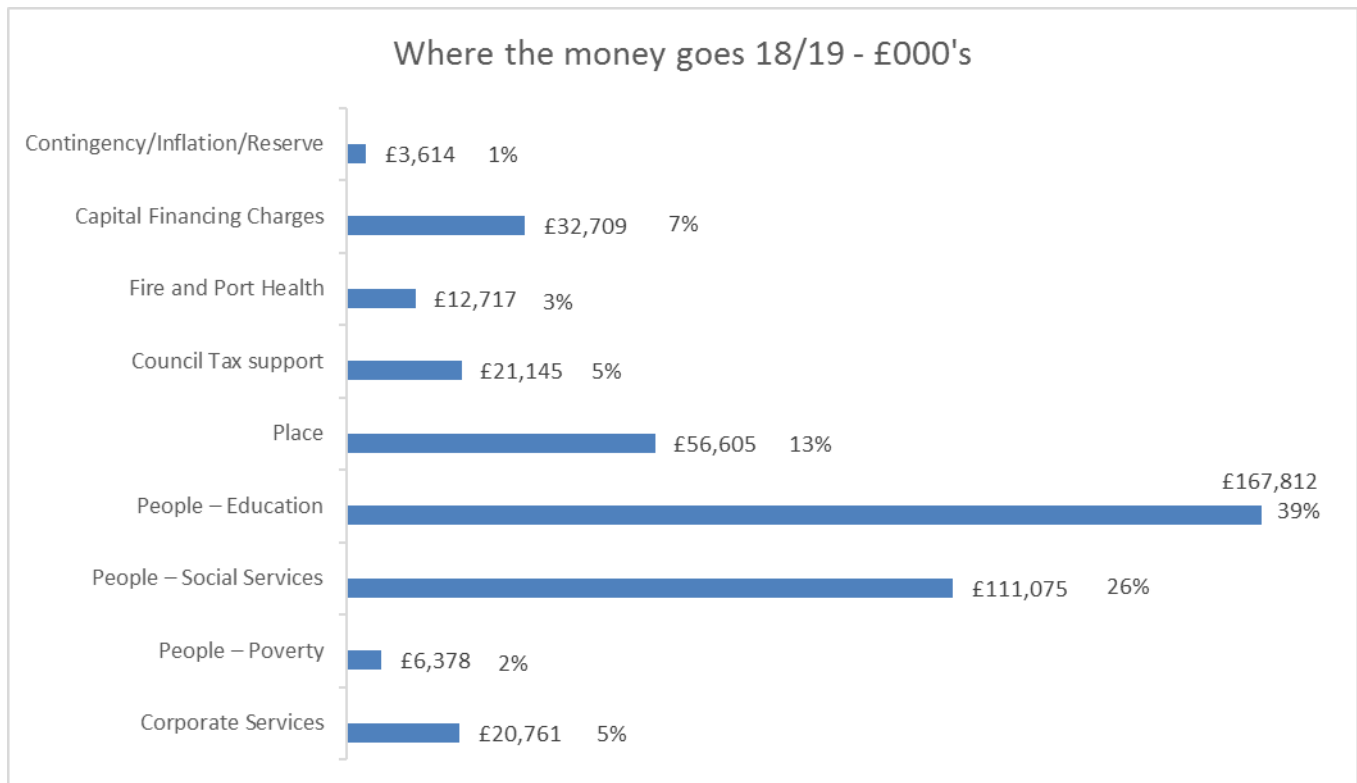
The Council undertook another survey as a guide and ‘temperature check’ to help inform the refresh of the Corporate Plan and well-being objectives for 2018/22. Respondents were asked their views about the Council’s existing well-being objectives and whether they were the right objectives to improve well-being in Swansea now, and in the future. They were also asked their views on a series of steps and actions to achieve each objective.

Overall, the results of the survey show a relatively high level of support amongst the respondents for the Council’s existing well-being objectives and the proposed actions the Council are planning to take to realise these objectives; more than 9 out of 10 respondents agreed that the Council’s well-being objectives were the right objectives for Swansea.

A number of suggestions were received about including nature and the environment as an additional well-being priority, as well as actions related to nature and the environment, which may help the Council implement the other well-being objectives. Although the majority of respondents agreed with the proposed steps the Council should undertake in relation to transforming our economy and infrastructure and tackling poverty, a few respondents questioned whether it was the role of the Council to be directly involved in some areas; for example, in exploring establishing a new hotel or supporting the expansion of the Liberty Stadium. Similarly, although the majority of respondents supported strengthening of the Welsh Language, some questioned the opportunity cost of this activity, relative to other priorities and demands faced by the Council in terms of reducing budgets and a pressure on resources.

Our Budget – resourcing our well-being objectives

Following consultation with staff, the public and other stakeholders, a report on the budget goes to Cabinet and is then discussed at a meeting of full Council. The Council has over £400 million to spend. The vast majority of this money comes from the Government and grants, and we raise further money from council tax and income. This is how it is currently allocated (2018/19 budget):



Public consultation on 2019/20 budget will be underway by the Autumn. Although the amount of money we receive from Welsh Government could well be relatively flat in cash next year, there will need to be much larger savings to offset our forecast of £20million plus of additional expenditure, which is outside our control such as rising price inflation, unfunded national pay awards and demographics.

We also think that our funding from Welsh Government will reduce significantly in the coming years, which means we will have at least £60m less to spend in real terms at a time when demand for services like social care is rising.

The public have already told us their priorities are schools and social services. Yet they also tell us some specific events, street cleaning and highways maintenance are very important to them too. Our budget includes a list of budget priorities in line with our well-being objectives set out in our Corporate Plan. But with less money we'll have to reduce spending on these priorities whilst making much bigger cuts in other areas to balance the books.

We raise over £110million in council tax each year, but this is barely enough to cover the cost of our social services, let alone all the other services we provide. The overall cost of Council services means simply raising Council Tax alone is not an option. So we have to take other steps.

4. Our well-being objectives

The next part of the Plan sets out our well-being objectives for 2018/22. Each objective is described in detail under the following headings:

- **Why this priority is a well-being objective.**
- **The longer-term challenges each well-being objective will help address.**
- **The steps we will take to meet each well-being objective.**
- **How we will maximise our contribution to the national goals through the way in which we work.**
- **How we will measure progress.**
- **The contribution each well-being objective makes to the Public Service Board objectives.**

Safeguarding people from harm

Why this priority is a well-being objective.

- We are committed to ensuring that citizens live their lives free from harm and exploitation.
- Safeguarding vulnerable people needs to be seen as everybody's business within every service within the Council, by all elected Members and by those who do work on behalf of the Council.
- We want children to be safe from harm and to stay with their families or be supported in family settings where it is safe for them to do so.
- We want to ensure all vulnerable adults are safeguarded from harm and able to live to their maximum potential.
- We want to tackle domestic abuse and ensure that victims are fully supported.
- We want people to age well and be able to live as independently and as safely as possible in their own homes.

The longer-term challenges this well-being objective will help address.

- An ageing population representing a significant increase in the demand for health and social care services
- An increase in diseases and conditions associated with an ageing population, such as dementia.
- Reducing the incidents of domestic abuse, including its impact on children.
- Identifying and supporting people who provide unpaid care in Swansea.
- Placing greater emphasis on prevention rather than detection and correction to help deal with increasing demand for statutory services.

The steps we will take to meet this well-being objective.

- Implement the new *Corporate Safeguarding Policy* to ensure that safeguarding 'is everyone's business'.
- Continue to improve understanding and awareness of safeguarding and how to identify and report concerns amongst Council staff, elected Members, partners, the public and those working on behalf of the Council.
- Continue to ensure that Adult and Child & Family Services are robust and effective in meeting the statutory requirements laid on the Authority as set out in

the Social Services and Well-being Act 2014 to improve well-being outcomes for vulnerable adults in Swansea.

- Update and refresh the *Safe Looked After Children (LAC) Reduction Strategy* to manage demand and support more intensive work with children with eligible needs and reduce the numbers of children needing to become LAC.
- Continue to implement the *Corporate Parenting Strategy* to improve outcomes for looked after children and care leavers.
- Understand the implications for Adverse Childhood Experiences (ACEs) for citizens and explore further improvements that the Council could make.
- Continue to involve looked after children in getting their voice heard about the services that they receive through engagement with children and young people and through strengths based practice that focusses on their strengths and assets and what they and their families can do to help themselves.
- Continue to ensure that effective safeguarding arrangements are in place to protect those at risk from significant harm and exploitation.
- Continue to strengthen collaboration and partnerships on safeguarding through the Western Bay Adult and Children's Safeguarding Boards.
- Work with partners to raise awareness around domestic abuse and put in place effective and timely interventions and support.
- Work with partners to address safeguarding in its wider sense; for example, hate crime, modern slavery and bullying in schools.
- Maintain a framework for the delivery of the *Prevent* interventions programme in conjunction with partners to support vulnerable individuals who may be at risk of or being drawn into violent and / or non-violent extremism.
- Ensure the adoption, delivery and effective monitoring of the Council's *Prevention Strategy* to manage need and improve well-being.
- Provide people with equal access to services and continue to maximise peoples' independence and the ability to live in their own homes for longer and improve quality of life.
- Work with partners to ensure the safety and well-being of children and young people and to provide information, advice and assistance to all, including carers and young carers.
- Work with partners through the *Ageing Well Strategy* to help people to stay healthy and age well.
- Develop Swansea's status as the first *Dementia Friendly City* in Wales.

- Work with the Older People's Commissioner for Wales to establish a *Charter for Older People* to ensure the voices of older people are heard.

The contribution this well-being objective makes to the national goals.

A prosperous Wales	A Resilient Wales	A more equal Wales	A Wales of more cohesive communities	A Wales of vibrant culture and thriving Welsh language	A healthier Wales	A globally responsible Wales
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

How we will maximise our contribution to the national goals through the way in which we work.

- *Preventing problems from occurring or from getting worse* – developing preventative services to avoid the need for people to access statutory services.
- *Addressing long-term challenges* – doing preventative work to reduce demand on social care services from an ageing population and tackling associated conditions, such as dementia.
- *Working in partnership with others* – tackling domestic abuse and helping people to age well with partners through the Public Service Board.
- *Avoiding conflicts between public body objectives* – working with partners through Western Bay regional safeguarding arrangements and through the Public Service Board.
- *Involving people* – involving carers and victims of domestic abuse in their care and looked after children and their families by focussing on their strengths and assets and what they can bring to the table involving parents, families and communities.

How we will measure progress.

- Elected Members and Council staff completing mandatory safeguarding training.
- Timeliness dealing with children and adult safeguarding referrals, enquiries and assessments.
- Children in need, children looked after and children on the child protection register.
- Adults and children receiving care and support to meet their well-being needs.
- Rate of carers receiving an assessment of their needs.

- People who have completed reablement receiving no care or less care six months later.
- Timeliness completing Deprivation of Liberty Safeguarding Assessments.
- Rate of delayed transfers of care from hospital to social care.
- Number of requests for Local Area Co-ordination.

The contribution this well-being objective makes to the Public Service Board objectives.

Children have the best start in life to be the best they can be	People live well and age well	Working with nature	Strong communities
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Improving Education & Skills

Why this priority is a well-being objective.

- We want Swansea to be one of the best places in the world for children and young people to grow up.
- We want every child and young person in Swansea to achieve, to be healthy, to be resilient and to be safe.
- We want children and young people to attend school regularly because they are more likely to achieve the skills and qualifications that they need to go on into further education, higher education, employment or training.
- We want children and young people to obtain qualifications and skills that are suited to the economic needs of the future and to be able to contribute positively as active local citizens.
- We want to prevent children from becoming disengaged from learning.
- As corporate parents of Looked After Children, we want our Looked After Children to succeed in school and to have opportunities for further education, higher education, employment or training.
- We acknowledge that a child or young person with additional learning needs requires timely and effective support to allow them to reach their full potential.
- We want our children and young people to be aware of their global rights and responsibilities so that they can be active and responsible citizens, fulfil their potential and make a difference to their communities.
- We want our children and young people to have good Welsh language skills.

The longer term challenges this well-being objective will help address.

- We want to provide our young people with the skills and opportunities arising from the City Deal, ensuring they have success in the STEM subjects (science, technology, engineering and mathematics), digital skills such as computer coding and creative industries.

The steps we will take to meet this well-being objective.

- Align our education system and work with partners to ensure we create the right people with the right skills to supply the new economies and meet the challenge of the Swansea Bay City Deal.
- Continue to support and challenge schools to improve attendance and pupil performance and encourage schools to support each other.

- Continue to develop and enhance school partnerships.
- Continue focusing on improving literacy (in English and Welsh), numeracy and digital competency at all ages.
- Improve the outcomes of looked after children and those with additional learning needs.
- Further improve provision and raise standards of achievement for pupils educated other than at school and further improve reintegration back into schools.
- Transform the schools' estate to meet demand and respond to the developments set out within the *local development plan* (LDP) whilst ensuring community benefits from contracts.
- Raise vocational aspirations and skill levels in the workplace, contributing to the development of ambitious, skilled young people and adults by providing apprenticeships.
- Develop independent learning skills for lifelong learning to reflect the changing nature of work and to support well-being, creativity and reduce social isolation.
- Develop young citizens to respect rights, understand responsibilities and be globally aware and responsible citizens by continuing to support schools to become *UNICEF Rights Respecting Schools* as part of our commitment to the UNCRC.
- Continue to involve children and young people in their education and community through *Pupil Voice* and *Schools Councils* and *Big Conversation* engagement events.
- Meet demand for Welsh medium education and promote the use of Welsh in schools and socially through the *Welsh in Education* strategic plan.
- We will, by using our school building and maintenance programme, reduce our carbon footprint.
- Ensure our vulnerable children are not disadvantaged by poverty or other factors that limit or restrict them in achieving and attaining standards and wellbeing in education.

The contribution this well-being objective makes to the national goals.

A prosperous Wales	A Resilient Wales	A more equal Wales	A Wales of more cohesive communities	A Wales of vibrant culture and thriving Welsh language	A healthier Wales	A globally responsible Wales
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

How we will maximise our contribution to the national goals through the way in which we work.

- *Preventing problems from occurring or from getting worse* – improving school attendance and equity in providing education and learning achievement so that pupils improve their skills and qualifications that they need to go on into further and higher education, training or employment.
- *Addressing long-term challenges* – ensuring the school curriculum in Swansea provides pupils with the skills and qualifications for the future and contributes to the success of the Swansea Bay City Deal in raising prosperity.
- *Working in partnership with others* – work with local authorities through the regional arrangements to support school improvement services.
- *Avoiding conflicts between public body objectives* – creating synergy between Council objectives and economic development.
- *Involving people* – involving pupils in their education through *Pupil Voice* and *Schools Councils* and *Big Conversation* events in order to demonstrate we value these key stakeholders.

How we will measure progress.

- Pupil attendance at school, including pupils receiving free school meals.
- Literacy in English and Welsh and numeracy at different ages.
- Pupil achievement at Foundation Phase.
- Pupils achievement at the end of key stage 4, including pupils receiving free school meals, children looked after by the Council, pupils educated other than at school and pupils from areas classed as being in the 20% most deprived of all areas in Wales.
- Pupil take up and attainment in STEM subjects at the end of key stage 4.
- Young people known to be NEET at 16 years of age.
- Apprenticeships in the Council and the wider community.

- Training weeks secured for the economically inactive or unemployed through community benefit clauses in contracts.

The contribution this well-being objective makes to the Public Service Board objectives.

Children have the best start in life to be the best they can be	People live well and age well	Working with nature	Strong communities
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Transforming our **Economy & Infrastructure**

Why this priority is a well-being objective.

- We want to raise economic performance and create wealth and employment opportunities to improve the economic wellbeing of Swansea's citizens
- The biggest ever investment for south west Wales has been secured following the approval of the ground-breaking Swansea Bay City Deal on 20th March 2017.
- The City Deal is worth £1.3 billion deal and will transform the economic landscape of the area, boost the local economy by £1.8 billion, and generate almost 10,000 new jobs over the next 15 years.
- In Swansea, 100,000 square feet of flexible and affordable new office space will be constructed on Kingsway in the city centre for tech businesses as part of a digital village that will benefit from world-class digital infrastructure.
- The City Deal will lead to a 215,000 square foot box village development on the University of Wales Trinity Saint David's under-construction Waterfront Innovation Quarter in SA1 providing affordable space for start-up firms.
- The City Deal will also support the digitalisation of the 3,500 indoor arena planned for the city centre's Swansea Central development site, as well as the development of a digital square to include digital screens and digital artworks..
- The City Deal will further drive the physical regeneration of the city centre in line with our revised City Centre Strategic Framework – in particular, property development and enhancement and associated transport improvements, delivering enabling infrastructure to support regeneration.
- We want to take advantage of the opportunities presented by the City Deal and regeneration of the city centre by creating employment and training opportunities for unemployed and economically inactive people through community benefit clauses in contracts and delivering employability support services in partnership with other council services and external partners.
- We want a planning policy framework that supports growth and regeneration and ensures that communities have sufficient good quality housing at sustainable locations to meet community needs and support sustainable economic growth.
- We want to take advantage of untapped growth potential to generate sustainable energy, protect the environment and boost the economy, including continuing to lobby the government to approve the Tidal Lagoon.
- We want to take advantage of Swansea's natural, cultural and built assets and infrastructure to develop the economy while protecting the environment and improving well-being.

The longer-term challenges this well-being objective will help address.

- The growth of smart and mobile technology and high tech industry is set to continue.
- In Wales, digital skills needed for the new economy lag behind the rest of the UK and these will be needed in Swansea through the Swansea Bay City Deal.
- Swansea still has large numbers of working age people not in work.
- There is evidence that Swansea's productivity gap (GVA) is narrowing, but the gap is still significant. There are also currently a relatively small number of businesses in Swansea generating economic activity compared with the UK average and workplace earnings are significantly lower by the same comparison.
- There is a large potential in Wales and in Swansea to generate sustainable energy through the Tidal Lagoon and other community level projects, boosting the local economy and helping to protect the environment.
- Climate change and associated risks such as flooding threatens our economic growth, productivity, well-being, infrastructure and our environment.
- The private vehicle is likely to remain as the dominant form of transport into the future but sustainable and affordable transport and a strategy for an integrated system for transport to serve our rural and urban areas is essential to access employment and training and protect the environment.
- Swansea is still falling well short of its potential as a regional centre and there remain significant deficiencies in the level and quality of housing and supportive infrastructure at a time when housing need and the number of households is growing.

The steps we will take to meet this well-being objective.

- Work with partners to implement the City Deal to invest in digital infrastructure and support investment, innovation, growth, jobs, skills and productivity.
- Take advantage of the opportunities presented by the City Deal and continue the regeneration of the city centre.
- Promote and enhance a diverse and sustainable local economy.
- Prepare a Green Infrastructure Strategy for the City Centre.
- Adopt the local development plan (LDP) that supports the regeneration of Swansea and promotes sustainable communities.

- Create employment & training opportunities for the long-term unemployed and economically inactive through community benefit clauses in contracts.
- Improve, expand and diversify leisure, cultural and heritage facilities and infrastructure to help boost the economy, promote tourism and improve well-being.
- Effect the successful transfer of Leisure facilities to the Council's new delivery partner and develop a long-term sustainability strategy for 'in house' services across the portfolio including Libraries, Theatres, Galleries and Museums.
- Progress the Hafod Copperworks project and refresh the Riverside Corridor Strategy to identify complementary developments.
- Continue to work with Skyline Ltd to deliver of the Gondala and Luge project at Kilvey Hill
- Build on the legacy of Swansea's bid to be UK City of Culture by active participation in Culture 21 Pilot programme and delivering the nine commitments for Culture in Sustainable Cities.
- Promote public leisure and cultural events to help improve well-being, promote community cohesion and provide economic benefits.
- Work with partners to secure an international sport village and centre of sporting excellence.
- Deliver the *Energy Strategy* to reduce costs, provide cheaper energy and reduce our carbon footprint.
- Oversee the management and development of the City Centre evening and night-time economy, including the retention of the Purple Flag, to ensure it is a safe, clean and welcoming place to work and visit.
- Work collaboratively through the new *Regeneration Swansea* Partnership to progress Swansea's economic regeneration agenda, including the delivery of the Targeted Investment Programme.
- Work with others to provide sustainable and low carbon transport and infrastructure providing improved and cheaper connectivity and mobility and associated economic benefits at reduced environmental cost and improved air quality.
- Maintain and enhance biodiversity and protect Swansea's green spaces, including parks for recreation and play, to promote health and well-being.
- Manage Swansea's coastline, promote improved bathing water quality and maintain Blue Flag status at Swansea's beaches to encourage tourism, protect the environment and support well-being.

- Progress strategic housing and mixed development sites to meet housing need and provide employment.
- Protect and promote the health, wellbeing, safety and consumer interests of people living in or visiting Swansea by working with others to maintain public safety across the range of regulatory services such as pollution, scams and unfair trading, public health and housing issues, etc.

The contribution this well-being objective makes to the national goals.

A prosperous Wales	A Resilient Wales	A more equal Wales	A Wales of more cohesive communities	A Wales of vibrant culture and thriving Welsh language	A healthier Wales	A globally responsible Wales
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

How we will maximise our contribution to the national goals through the way in which we work.

- *Preventing problems from occurring or from getting worse* – promoting renewable energy and sustainable transport to build the economy and help tackle climate change.
- *Addressing long-term challenges* – reshaping Swansea and the region's economy to meet the economic challenges of the future and technological change through the City Deal.
- *Working in partnership with others* – working with three other local authorities, the Welsh Government, Universities, Health Boards and the private sector to deliver the City Deal.
- *Avoiding conflicts between public body objectives* – adopting the LDP to support the regeneration of Swansea and provide a blueprint for good and consistent land use planning decisions for current and future generations.
- *Involving people* – extensive consultation and engagement process during each stage of the development of our *Local Development Plan* looking to identify opportunities to meet housing need and provide employment.

How we will measure progress.

- Timeliness assessing planning applications.
- Approvals of major planning applications.
- Housing units and commercial floor space created in the city centre.

- Value of inward investment into Swansea.
- Tourism spend.
- Projects containing community benefit clauses in contracts and number of training weeks created.
- Carbon reduction in Council buildings.
- Deliver the Corporate Energy Strategy

The contribution this well-being objective makes to the Public Service Board objectives.

Children have the best start in life to be the best they can be	People live well and age well	Working with nature	Strong communities
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Tackling Poverty.

Why this priority is a well-being objective.

- We want a Swansea where having poverty of income is not a barrier to doing well at school, having a healthy and vibrant life, developing skills and qualifications and having a fulfilling occupation.
- We want to challenge inadequate access to necessary services of good quality by targeting resources where they have the most effect, with decisions about that made in conjunction with service users.
- We want all of our residents to have the opportunity and resources to join in with social, cultural and leisure activities and decision-making.
- We want people to maximise their income and get the most out of the money that they have.
- We want people to avoid paying the 'poverty premium', the extra costs people on low incomes must pay for essentials such as fuel and transport.
- We want to ensure removal of barriers to employment such as transport and childcare.
- We want to ensure inclusion of people from Swansea's most disadvantaged communities so that we reduce inequalities between and within communities.

The longer-term challenges this well-being objective will help address.

- Poverty levels in Wales remain persistently high, particularly for working age people and those under 18 years of age and the risk of poverty has increased for working and workless households.
- Relative child poverty in the UK is projected to rise significantly from 29% in 2014/15 to 36% in 2020/21.
- People living in the least deprived areas of Swansea can expect to live healthily for nearly 22 years longer than those in the most deprived areas of Swansea.
- Some pernicious aspects of the poverty premium, such as transport, fuel and food, remain very high in Swansea.
- In Swansea, people only get the most for their money if they are already quite well resourced with knowledge and information, well connected digitally and able to get around easily to take advantage of deals. The people least likely to be in this situation are those already suffering the impacts of poverty.

- The detrimental impact of deprivation begins at a very young age and builds up throughout a person's lifetime. Action proportional to need to support families and children during the very early years can help mitigate this effect and break these links.
- Swansea still has large numbers of working age people not in work and barriers to work, such as experience, childcare and transport, needs to be tackled.
- Ongoing changes in Welfare Reform are creating new and more complex problems for those already in financial crisis, and bringing more people than previously into financial crisis.

The steps we will take to meet this well-being objective.

- Implement the revised *Poverty Strategy* to empower local people, change cultures to emphasise tackling poverty is everyone's business and target resources to maximise access to opportunity and prosperity.
- Work with our Health partners to ensure that, through our *Early Years Strategy*, children in their early years and at Foundation Phase achieve their expected language, emotional, social and cognitive development and are ready for learning and for school.
- Ensure that young people are able to access employment, education or training after reaching 16 years of age.
- Help to address the impacts of Welfare reform, such as supporting people to claim the full benefits they are entitled to so that they are able to maximise their income.
- Invest to improve housing and build more energy efficient Council homes and support the building of affordable housing to help meet housing need, reduce fuel bills, regenerate estates and bring wider economic and employment benefits.
- Prevent homelessness and support people to maintain their tenancies to help provide stability and security for families and communities in order to safeguard health and well-being and prevent social exclusion.
- Explore creating our own energy venture to provide low-cost energy to homes helping to tackle high domestic fuel bills and fuel poverty.
- Support tackling climate change and help eradicate fuel poverty and boost economic development through the ARBED scheme and energy efficiency measures in social housing.
- Support individuals to overcome their barriers to employment through co-ordinated person-centred employability support.

- Provide art, culture and heritage opportunities in order to boost skills, confidence, self-esteem and aspiration.
- Implement the *Community Cohesion Delivery Plan* to promote cohesive and inclusive communities in Swansea.

The contribution this well-being objective makes to the national goals.

A prosperous Wales	A Resilient Wales	A more equal Wales	A Wales of more cohesive communities	A Wales of vibrant culture and thriving Welsh language	A healthier Wales	A globally responsible Wales
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

How we will maximise our contribution to the national goals through the way in which we work.

- *Preventing problems from occurring or from getting worse* – helping to prevent high fuel bills and the ‘poverty premium’ by building energy efficient Council homes and exploring the creation of our own energy venture to provide households with free energy.
- *Addressing long-term challenges* – helping to overcome barriers to employment and get people into work through co-ordinated person-centred employment schemes, affordable childcare and transport.
- *Working in partnership with others* – working with our health partners through the *Flying Start* scheme to ensure that children in their early years are ready for school and for learning.
- *Avoiding conflicts between public body objectives* – recognising that reducing poverty is everyone’s business and the Public Service Board has a key role in making this happen across all sectors.
- *Involving people* – Working within communities and successfully engaging, involving and co-producing with people to build resilience and reduce reliance.

How we will measure progress.

- Welfare benefits secured by the Welfare Rights service.
- Timeliness processing housing and council tax benefit applications and changes of circumstances.
- Average number of days homeless families with children spend in Bed & Breakfast accommodation.

- Number of people gaining employment through Employability Support.
- Number of accredited qualifications achieved by adults with local Authority support.
- Deliver the Tackling Poverty Strategy and *Prevention Strategy* and show demonstrable achievement in the Strategies.
- Deliver our *Corporate Energy Strategy*.
- Deliver our *More Homes Strategy*.

The contribution this well-being objective makes to the Public Service Board objectives.

Children have the best start in life to be the best they can be	People live well and age well	Working with nature	Strong communities
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Maintaining and enhancing Swansea's **Natural Resources and Biodiversity**

Why this priority is a well-being objective.

- We shall seek across the range of the Council's responsibilities, as appropriate, to maintain and enhance biodiversity, reduce our carbon footprint, and improve our knowledge and understanding of our natural environment, thus benefiting our health and well-being.
- Swansea is one of the most ecologically rich and diverse counties in the UK. Its unique variety of habitats and species and wonderful range of parks, greenspaces, nature reserves, beaches and landscapes needs to be maintained, enhanced and sustainably managed for the benefit of everyone now and into the future.
- Our future survival and quality of life is dependent on a healthy resilient natural environment and the multiple benefits it provides to society.
- Our natural environment and biodiversity is under threat and in decline due to unsustainable human activities. Habitats and species are being lost at an alarming and unsustainable rate.
- We urgently need to tackle climate change by reducing our use of carbon and by maintaining and enhancing resilient ecosystems and a strong green infrastructure network to help us mitigate for and adapt to the pressures of climate change.
- We have a legal duty under the Environment (Wales) Act 2016 and under the Well Being of future Generations Act 2015 (Resilient Wales goal) to protect and enhance biodiversity and maintain resilient ecosystems, and to report our progress to Welsh Government.
- Evidence shows that contact with nature has significant benefits for people's physical and mental health.
- Our future prosperity and well-being is dependent on a healthy resilient natural environment.
- We need to work with nature to improve the quality of our air, water and soils.
- We want everyone to understand and appreciate the unique value and fragility of Swansea's outstanding natural environment and to play their part in looking after and enhancing it.
- Our ambition is for everyone in Swansea to have access to and to benefit from an ecologically diverse, attractive, well managed and resilient natural environment.
- We want to halt and reverse the loss of biodiversity so that its contribution to Swansea's economic and social well-being is not lost or reduced.

- We aim to create a greener more sustainable, ecologically diverse and resilient county, where its unique natural environment is recognised as one of its most valued and distinctive assets.
- We have a moral responsibility to look after biodiversity for its own intrinsic value.

The longer-term challenges this well-being objective will help address.

- Halting and reversing the loss of biodiversity through reducing harm and unsustainable use and moving to a situation where we are working with nature to maintain healthy resilient ecosystems that will continue to provide long-term quality of life (or ecosystem services) benefits upon which we all depend.
- Tackling climate change, which is one of the greatest challenges facing us all and we need to work with nature to reduce our carbon footprint and to mitigate for and adapt to the likely risks and impacts.
- Creating high quality environmentally responsible and sustainable green jobs that make the most of our unique natural resources e.g. through environmental tourism, sustainable rural land management and marine industries and crafts.
- Reducing inequalities in health and well-being by maintaining and enhancing a high quality and accessible natural environment across the whole county, and encouraging greater use of public access land such as parks, nature reserves, commons and forests.

The steps we will take to meet this well-being objective.

- Develop, adopt and implement a Corporate Biodiversity (Section 6) Action Plan.
- Work with partners to develop and deliver a Green Infrastructure Strategy for Swansea.
- Develop and adopt a Council tree policy.
- Begin to map existing Green Infrastructure assets and ecosystem service provision, and identify areas, which provide the best opportunities for improvement.
- Undertake a preliminary biodiversity audit of Council owned land and where possible manage our corporate assets for the benefit of biodiversity and natural resources.
- Work with partners to develop and implement opportunities to enhance biodiversity and improve ecological connectivity.
- Work towards creating a low carbon economy, which promotes renewable energy and takes actions to reduce our carbon footprint.

- Continue to participate in and support the Low Carbon Swansea Initiative.
- Support initiatives that will increase Swansea's urban tree cover.
- Improve awareness and understanding of our natural environment through provision of information, training and events.
- Provide opportunities for schoolchildren to access and learn about their natural environment.
- Work towards improving access to and maintaining the quality of our parks and greenspaces.
- Continue to deliver a programme of wildflower planting and management.
- Engage with local communities to encourage volunteering and to support them taking action to enhance and maintain their local greenspaces and wildlife sites.
- Take actions that help to control invasive non-native species
- Undertake (selected or targeted) enhancements to greenspace as part of an environmental works programme to meet our commitment to the Welsh Housing Quality Standard.
- Minimise our use of non-recyclable products and materials, and recycle more waste.

The contribution this well-being objective makes to the national goals.

A prosperous Wales	A Resilient Wales	A more equal Wales	A Wales of more cohesive communities	A Wales of vibrant culture and thriving Welsh language	A healthier Wales	A globally responsible Wales
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

How we will maximise our contribution to the national goals through the way in which we work.

- *Preventing problems from occurring or from getting worse* – By halting the decline of biodiversity and maintaining and enhancing a resilient natural environment, we will maintain vital ecosystem services (e.g. flood alleviation, air and water quality, carbon storage and pollination) and help to maintain people's health, well-being and quality of life. By helping people to understand the causes of problems and how by working together with nature, we can prevent problems occurring. By ensuring compliance with legislation and avoiding consequences of non-compliance.

- *Addressing long-term challenges* – We want to halt the loss of biodiversity, promote healthy resilient ecosystems, and strengthen green infrastructure to adapt to and mitigate for the impacts of climate change, and ensure that our natural environment and the benefits and services it provides are protected for the benefit of future generations.
- *Working in partnership with others* – We will continue to support and collaborate with others to co-ordinate delivery of actions and maximise use of resources.
- *Avoiding conflicts between public body objectives* – By raising awareness of biodiversity and ensuring that it is taken into account at the early decision-making /design stages of plans and projects, the potential for conflict will be reduced.
- *Involving people* – We will build capacity and achieve more by involving and supporting the local community to participate in identifying and delivering initiatives that maintain and enhance the natural environment. More people will be enabled to access and enjoy their natural environment.

How we will measure progress ³.

- We will report on progress towards delivering the Section 6 Corporate Biodiversity Plan and the Resilient Wales goal through annual business planning and reporting mechanisms.
- We will develop mechanisms for measuring losses and gains in the extent and quality of the natural environment.
- We will continue to monitor air and water quality.
- We will record the number of people involved in environmental volunteering and the hours spent.
- We will record the number of environmental events and the number of participants.
- We will record the number of biodiversity related training courses and the number of people participating.
- We will establish a Corporate Biodiversity Working group to monitor progress towards delivering the Section 6 plan.
- Recycling rates.

³ Provisional pending data development. Reporting likely to commence in 2019/20

The contribution this well-being objective makes to the Public Service Board objectives.

Children have a the best start in life to be the best they can be	People live well and age well	Working with Nature	Strong communities
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Transformation & Future Council development

Why this priority is a well-being objective.

- We want to modernise and transform the council through our *Sustainable Swansea: Fit for the Future* programme to help tackle rising demand and reducing revenue budgets.
- We want to modernise services by using the internet, reducing administration and back-office services. We want to generate additional income to pay for services and help families earlier so that we can reduce costs later on.
- We want to improve efficiency and further reduce management and business support costs. We also want to continue reviewing all of our services to ensure they are delivered in the best way and saving money by working with partners such as the police and health, or preventing the need for people to access costly statutory services where need can be met elsewhere.
- We want the public to play their part by co-producing and helping to run services, such as the successful scheme where bowlers are maintaining their greens, or by increasing recycling at home.
- We want more people involved in the Council's business and in making decisions on things that affect them and their families and communities.
- We want to invest in our priorities like the city centre, improving classrooms, improving and extending our energy efficient housing stock, and delivering the City Deal with the potential to create 10,000 jobs.

The longer-term challenges this well-being objective will help address.

- Demands and expectation of public services continues to increase but with less money to deliver them.
- Residents expect services to be delivered outside of normal office hours and to be joined-up and personal to their needs.
- People expect to be able to contact and deal with public organisations in different ways and are increasingly seeking to contact the Council through the internet and through social media.
- Advances in the use of Big Data and artificial intelligence could transform the way that public services work, including automation and better targeted services.
- More services are likely to be delivered in partnership with others, including other public bodies and the third sector in line with Local Government reform.

The steps we will take to meet this well-being objective.

- Review and continue with *Sustainable Swansea – Fit for the Future* Council modernisation programme in order to transform services, deliver better outcomes for residents and achieve financial sustainability.
- Support and train the Council's workforce through the *Organisational Development Strategy* to deliver transformed services so that we have the right people with the right skills, with the appropriate development pathway and rewards, and that we work in ways that provide the most sustainable outcomes for residents.
- Change the Council's organisational culture to support "working together, working differently" and embed transformation, innovation and organisational learning.
- Embed equality and diversity into service delivery through Equality Champions appointed in each service.
- Review the Council's approach to procurement to secure local economic and community benefits, in line with sustainable development principles.
- Continue to embed a "digital first" strategy so that citizens access more Council services and information through digital platforms and media in order to save costs, improve access to services and information and increase customer satisfaction.
- Promote digital inclusion and enable people to access online services by providing citizens with lifelong learning opportunities to undertake free computer courses and training.
- Explore opportunities to collaborate with other local authorities and partners and share services, including back office, to save costs and improve services to citizens.
- Undertake targeted and effective engagement to develop more collaborative and partnership working with the third and private sectors to achieve the Council's and shared priorities and outcomes.
- Review work with communities, organisations and 'friends' groups to encourage and enable greater community ownership of assets and services and to ensure their long-term sustainability.
- Continue to modernise public engagement in local democracy and Council decision making through accessible meeting times, web broadcasting, electronic voting and e-petitions.
- Continue to strengthen the Welsh language service and language services generally offered by the Council by providing basic language training for front-line staff.

- Make community budgets available so that local people can decide together with their representatives what their local priorities are.
- Provide the opportunity for local citizens to influence how policies are written and services are delivered through the development of a co-production approach and a Swansea commitment.

The contribution this well-being objective makes to the national goals.

A prosperous Wales	A Resilient Wales	A more equal Wales	A Wales of more cohesive communities	A Wales of vibrant culture and thriving Welsh language	A healthier Wales	A globally responsible Wales
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

How we will maximise our contribution to the national goals through the way in which we work.

- *Preventing problems from occurring or from getting worse* – helping to prevent people from needing immediate recourse to statutory services through the ‘prevention’ stream of the *Sustainable Swansea – Fit for the Future* programme.
- *Addressing long-term challenges* – changing the way the Council works including more digital services to reflect the move towards people wanting to access services through digital, mobile internet and social media.
- *Working in partnership with others* – working in collaboration with other public bodies and the third sector to deliver services.
- *Avoiding conflicts between public body objectives* – improving engagement with partners, including the third sector, through the Public Service Board to help support the transformation of Council services.
- *Involving people* – involving service users in commissioning reviews of Council services and in community action and ownership.

How we will measure progress.

- Identified forecast general fund revenue savings and income for the year compared to Council approved budget.
- Number of payments and forms completed online.
- Any data breaches.

- Workforce supported to develop skills and learn new things as part of an organisational development strategy, targeted towards a more agile workforce and 21st century public servant.
- Staff sickness.

The contribution this well-being objective makes to the Public Service Board objectives.

Children have a the best start in life to be the best they can be	People live well and age well	Working with Nature	Strong communities
	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

5. Monitoring Delivery – keeping performance under review

We will monitor delivery and keep our progress meeting our well-being objectives under review as follows:

How we will monitor progress

- Through the quarterly and annual performance monitoring reports to Cabinet.

How we will report achievements

- Quarterly and annually through Cabinet.
- Annual Report.

When and how this plan will be updated

- Annual review and update.

6. Next Stages – what we plan to do next

We have made some good progress embedding sustainable ways of working into how we do business as illustrated in this Plan; we want to continue to build on this.

To fully meet our obligations under the Well-Being of Future Generations Act, we want to:

- ensure sufficient and joined-up capability and capacity in strategic planning;
- continue to look for ways to increase citizens' involvement;
- look to create a longer-term strategic outlook, looking ahead up to 25+ years;
- ensure strategic integration and coherence between plans and strategies;
- work to ensure that the sustainable development principle shapes strategy and decision-making, and;
- continue to further embed the sustainable ways of working.

7. Where to find additional information

Strategies, plans and policies

<https://www.swansea.gov.uk/policies>

Performance and statistics

<https://www.swansea.gov.uk/statistics>

Finance and Council budget

<https://www.swansea.gov.uk/financeandbudget>

Scrutiny

<https://www.swansea.gov.uk/scrutiny>

Sustainable Development

<http://www.swansea.gov.uk/sustainabledevelopment>

Safeguarding

<http://www.swansea.gov.uk/safeguarding>

Schools and learning

<http://www.swansea.gov.uk/schoolsandlearning>

Children and Young People's Rights – UNCRC

<http://www.swansea.gov.uk/uncrc>

Swansea Bay City Deal

<http://www.swanseabaycitydeal.wales/>

Western Bay

<http://www.westernbay.org.uk/>

Education Through Regional Working (ERW)

<http://erw.wales/>

Have Your Say – consultations

<http://www.swansea.gov.uk/haveyoursay>

Strategic Equality Plan

<http://www.swansea.gov.uk/sep>

Welsh Language

<http://www.swansea.gov.uk/cymraeg>

DRAFT Equality Impact Assessment (EIA) Report

This form should be completed for each Equality Impact Assessment on a new or existing function, a reduction or closure of service, any policy, procedure, strategy, plan or project which has been screened and found relevant to equality.

Please refer to the 'EIA Report Form Guidance' while completing this form. If you need further support please contact accesstoservices@swansea.gov.uk.

Where do you work?
Service Area: Strategic Delivery Unit
Directorate: Financial Services

(a) This EIA is being completed for a...

Service/ Function <input type="checkbox"/>	Policy/ Procedure <input type="checkbox"/>	Project <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan x	Proposal <input type="checkbox"/>
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(b) Please name and describe below...

Corporate Plan 2017/22 setting out the Council's well-being objectives and the steps to achieve them as required by the well-being of future generations act.

(c) It was initially screened for relevance to Equality and Diversity on 21/06/2017

(d) It was found to be relevant to...

Children/young people (0-18) x	Religion or (non-)belief..... x
Any other age group (18+)..... x	Sex..... x
Disability x	Sexual orientation x
Gender reassignment x	Welsh language x
Marriage & civil partnership <input type="checkbox"/>	Poverty/social exclusion..... x
Pregnancy and maternity <input type="checkbox"/>	Carers (inc. young carers) x
Race x	Community cohesion x

(e) Lead Officer

Name: Richard Rowlands

Job title: Strategic Delivery & Performance Manager

Date (dd/mm/yyyy): 29/06/17 (reviewed and updated 14/09/18)

(f) Approved by Head of Service

Name: Ben Smith

Date (dd/mm/yyyy): 07/08/2017

Section 1 – Aims (See guidance):

Briefly describe the aims of the initiative:

What are the aims?

To set the Council's well-being objectives and key priorities for 2018/22; to outline the steps we will take to meet our well-being objectives; to describe how our well-being objectives, the steps we will take to meet them and the way in which we will meet them will maximise the Council's contribution to national goals.

Who has responsibility?

City & County of Swansea – the plan will be adopted at Council.

Who are the stakeholders?

Public, staff, elected Members, Welsh Government, Wales Audit Office, Office of the Future Generations Commissioner.

Section 2 - Information about Service Users (See guidance):

Please tick what information you know about your service users and provide details/evidence of how this information is collected.

Children/young people (0-18)	x	Carers (inc. young carers)	x
Any other age group (18+).....	x	Race.....	x
Disability	x	Religion or (non-)belief.....	x
Gender reassignment	x	Sex.....	x
Marriage & civil partnership	x	Sexual orientation	x
Pregnancy and maternity	x	Welsh language	x

What information do you know about your service users and how is this information collected?

The Corporate Plan does not have a group of service users as such – it is a plan that will be available to all citizens. The steps that the Council will take to meet its well-being objectives will however have, to a greater or lesser extent, a direct or indirect impact on all citizens. All information regarding service users has been derived from the Census equality data and the information incorporated into the Assessment of Local well-Being, which has been used as evidence when setting the well-being objectives.

Any Actions Required?

- None identified.

Section 3 - Impact on Protected Characteristics (See guidance):

Please consider the possible impact on the different protected characteristics. This could be based on service user information, data, consultation and research or professional experience (e.g. comments and complaints).

	Positive	Negative	Neutral	Needs further investigation
Children/young people (0-18)	➡ x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group (18+)	➡ x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	➡ x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	➡ x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	➡ x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	➡ x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race	➡ x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	➡ x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sex	➡	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	➡	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh language	➡	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	➡	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thinking about your answers above, please explain in detail why this is the case.

The well-being objectives in the corporate plan collectively support and are also supported by the Council's equality objectives. The Equality Objectives were cross-referenced against other evidence when determining our well-being objectives.

Our objective *Safeguarding People from Harm* seeks to protect all citizens, including children and young people and other vulnerable adults from harm and exploitation. Among other things, this objective seeks to ensure we:

- involve looked after children in their care through strengths based practice and getting their voice heard about the services they receive (age - children & young people)
- work with partners to tackle domestic abuse and support victims (sex - mainly women).
- work with others to tackle hate crime, modern slavery and deal with bullying in schools (all groups with protected characteristics).
- provide information, advice and assistance to carers, including young carers (carers).
- develop our status as a dementia friendly city and help people to stay healthy and to age well (age - adults, disability).
- promote equitable access to services to promote independence and quality of life (age – adults, disability).

Our objective *Improving Skills & Education* seeks to ensure that every child, young person and adult gains the skills and qualifications they need to succeed in life. Among other things, this objective seeks to ensure we:

- Improving pupil attendance, literacy (in English and Welsh) / numeracy and attainment (age – children and young people, Welsh language).
- Providing apprenticeships (age – adults and young people)
- Supporting looked after children and those disengaged from education to be in school and in employment, education and training (age – children and young people, race, sex)
- Involving children and young people in their education, e.g. Pupil Voice (age – children and young people)
- Meet demand for Welsh medium education and promote the use of Welsh in schools (Welsh language).
- Children not being disadvantaged by poverty when achieving and attaining standards in education (social exclusion)
- Supporting schools to become UNICEF Rights Respecting Schools (age – children & young people).

Our objective *Transforming our Economy & Infrastructure* seeks to ensure that all citizens benefit from plans to regenerate the economy and city. Among other things, this objective seeks to ensure we:

- Create employment and training opportunities for the long-term unemployed and economically inactive through community benefit clauses in contracts (social exclusion).
- Promote public leisure and cultural events to help improve well-being, promote community cohesion and provide economic benefits (race, religion, sexual orientation, gender re-assignment)
- Provide sustainable and low carbon transport and infrastructure providing improved and cheaper connectivity and mobility (disability, social exclusion, age).

Our objective *Tackling poverty* seeks to ensure that poverty is not a barrier stopping citizens from reaching their potential. Among other things, this objective seeks to ensure we:

- Empower local people through the Poverty Strategy to target resources to maximise access to opportunity and prosperity (all groups, social exclusion).
- Work with Health to ensure that children in their early years and at Foundation Phase achieve their expected developmental milestones and are ready for school and learning (age – children & young people, social exclusion, pregnancy & maternity).
- Ensure that young people are not NEET after reaching 16 years of age (age-children & young people).
- Help address the impacts of welfare reform (disability, social exclusion).
- Invest in Council housing and build more energy efficient Council homes (social exclusion).
- Prevent homelessness and support people to maintain their tenancies (race, age, sex, disability, social exclusion).
- Create our own energy venture and provide free energy to homes to tackle fuel poverty (social exclusion, age – older people)
- Help tackle fuel poverty through the ARBED scheme and energy efficiency measures in social housing (social exclusion, age – older people).
- Implement the community cohesion delivery plan to promote cohesive and inclusive communities in Swansea (race, religious belief, community cohesion, gender reassignment, sexual orientation)

Our objective *Transformation & future Council development* seeks to modernise and transform the Council, including getting the public to co-produce and helping to run services and getting more people involved in the decision-making in the Council. Among other things, this objective seeks to ensure we:

- Work to ensure there is better engagement with the third sector to achieve both the Council's and shared priorities and outcomes (all groups)
- Continue to modernise public engagement in Council decision making through accessible meeting times, web broadcasting, electronic voting and e-petitions (all groups).
- Continue to strengthen the Welsh language service and language services generally offered by the Council by providing basic language training for front-line staff (Welsh language, race, community cohesion).
- Make community budgets available so that local people can decide together with their representatives what their local priorities are (all groups).
- Provide the opportunity for local citizens to influence how policies are written and services are developed through the development of a co-production strategy (all groups).

Our objective *Maintaining and enhancing Swansea's Natural Resources and Biodiversity* seeks to, across the range of Council responsibilities, to reduce our carbon footprint, improve our knowledge and understanding of the natural environment and improve well-being. Among other things, this objective seeks to ensure we:

- Provide opportunities for schoolchildren to access and learn about their natural environment (age, children & young people)
- Work towards improving access to and maintaining the quality of our parks and greenspaces (all groups)
- Engage with local communities to encourage volunteering and to support them to take action to enhance and maintain their local greenspaces and wildlife sites (all groups)

What consultation and engagement has been undertaken (e.g. with the public and/or members of protected groups) to support your view? Please provide details below.

The review of our Corporate Plan and well-being objectives for 2017/22 consisted of three different approaches to involving people: (i) focus groups with young people (from 9

different secondary schools), (ii) two focus groups with members of the public (representatives from groups representing people with protected characteristics were invited) and representatives from other organisations centred on identifying current and future challenges, what should be done and 'what does good look like' and (iii) two on-line surveys of members of the public and the Council's citizens panel respectively. The results from this involvement helped shape our revised Corporate Plan and well-being objectives. A summary of the outcome from this consultation is included within the Corporate Plan.

The Council undertook another survey as a guide and 'temperature check' to help inform the refresh of the Corporate Plan and well-being objectives for 2018/22. Respondents were asked their views about the Council's existing well-being objectives and whether they were the right objectives to improve well-being in Swansea now, and in the future. They were also asked their views on a series of steps and actions to achieve each objective.

Overall, the results of the survey show a relatively high level of support amongst the respondents for the Council's existing well-being objectives and the proposed actions the Council are planning to take to realise these objectives; more than 9 out of 10 respondents agreed that the Council's well-being objectives were the right objectives for Swansea

Any actions required (to mitigate adverse impact or to address identified gaps in knowledge).

- None identified.

Section 4 - Other Impacts:

Please consider how the initiative might address the following issues.

You could base this on service user information, data, consultation and research or professional experience (e.g. comments and complaints).

Foster good relations between different groups	Advance equality of opportunity between different groups
Elimination of discrimination, harassment and victimisation	Reduction of social exclusion and poverty

(Please see the specific Section 4 Guidance for definitions on the above)

Please explain any possible impact on each of the above.

Foster good relations between different groups

The Corporate Plan will have a positive impact on fostering good relations between different groups. Our *Safeguarding people from harm* objective seeks, for example, to ensure that all citizens live their lives free from harm and exploitation. This involves, among other things, working with partners to address safeguarding issues in their widest sense, which includes hate crime but also incorporates other issues such as dealing with modern slavery, FGM and domestic abuse, including Black and Ethnic Minority women and children at risk of or suffering domestic abuse.

Our *Improving Education & Skills* objective seeks to ensure that every child and young person in Swansea gains the skills and qualifications they need to succeed in life. This includes among other things a commitment to support looked after children and children disengaged from learning to achieve and experience success in school, employment or training. Through this objective, the Council also want to support schools to become UNICEF Rights Respecting Schools. This aims to support young citizens to respect rights, understand responsibilities and be globally aware and responsible citizens as part of the Council's commitment to the UNCRC. This includes demonstrating that every child has rights, whatever their ethnicity, gender, religion, language, abilities or any other status.

Through our *Transforming our economy & infrastructure* objective outlines how we will promote public leisure and cultural events to help improve well-being and promote community cohesion. Our *Tackling Poverty* objective describes implementing the community cohesion delivery plan to promote community cohesion and inclusive communities within Swansea. Finally, our *Transformation & future Council* objective seeks to involve all citizens from all groups in engaging in Council decision-making, deciding local priorities with their representatives and influencing how policies are written and services developed through co-production. There is also a commitment to strengthen the Welsh language service and language services generally offered by the Council by providing basic language training for front-line staff. Through our *Maintaining and enhancing Swansea's natural resources and biodiversity* objective we describe how we will reduce inequalities in health and well-being by maintaining a high quality and accessible natural environment and encourage greater use of public access land.

Advance equality of opportunity

The Corporate Plan seeks to ensure that all citizens are treated fairly. Equality considerations were factored into the early development of the Corporate Plan. The Council's Equality Objectives were cross-referenced against other evidence in order to identify opportunities for the Council's well-being objectives to support and be supported by the Council's Equality Objectives and including Welsh language. Our well-being objectives seek to ensure that all people are treated fairly. Some examples from each well-being objective follow:

Our *Safeguarding people from harm* objective makes a commitment to provide people with equal access to preventative services in order to promote independence and improve quality of life. Our *Improving skills and education* objective aims to meet demand for Welsh medium education and promote the use of Welsh language in schools. Our *Transforming our economy & infrastructure* objective seeks to create employment and training opportunities for the economically inactive and long-term unemployed through community benefit clauses in Council contracts. Our *Tackling poverty* objective seeks to pilot 30 hours of free childcare and ensure that every community has a reliable and affordable bus service to help reduce barriers to employment. Our *Transformation & future Council* objective seeks to provide the opportunity for all citizens to influence how policies are written and services are developed through the development of a co-production strategy. Our *Maintaining and enhancing Swansea's natural resources and biodiversity* objective seeks to engage with local communities to encourage volunteering to support them to take action to enhance and maintain greenspaces and wildlife sites.

Elimination of discrimination, harassment and victimisation

The Council through its well-being objectives seeks to reduce or eradicate unfairness and discrimination. Some examples from each well-being objective follows:

Our *Safeguarding people from harm* objective outlines a commitment to work with partners to address safeguarding issues in their widest sense, which includes hate crime but also incorporates other issues such as dealing with modern slavery, FGM and domestic abuse, including Black and Ethnic Minority women and children at risk of or experiencing domestic abuse.

Our *Improving education & skills* objective seeks to meet demand for Welsh medium education and promote the use of Welsh in schools through the Welsh in Education strategic plan. There is also a commitment to teach young citizens to respect rights, understand responsibilities and be globally aware and responsible citizens by continuing to support schools to become UNICEF Rights Respecting Schools as part of our commitment to the UNCRC.

Our *Transforming our economy & infrastructure* objective contains a commitment to promote leisure and cultural events to help improve well-being, provide economic benefits and promote community cohesion. Our *Tackling poverty* objective commits to implementing the Community Cohesion Delivery Plan to promote cohesive and inclusive communities in Swansea. Our *Transformation & future Council* objective seeks to continue to modernise public engagement in Council decision making through accessible meeting times, web broadcasting, electronic voting and e-petitions. It also contains a commitment to continue to strengthen the Welsh language service and language services generally offered by the Council by providing basic language training for front-line staff. Our *Maintaining and enhancing Swansea's natural resources and biodiversity* objective commits us to reduce inequalities in health and well-being by maintaining a high quality and accessible natural environment and encourage greater use of public access land.

Reduction of social exclusion and poverty

All of our well-being objectives are developed to have a positive impact on social exclusion and poverty. In particular, the *Tackling Poverty* objective aims to address issues with service, participation and income poverty and social exclusion. Some examples from our well-being objectives follow:

Our *Safeguarding people from harm* and *Improving education & skills* objectives help to address participation poverty by involving looked after children and school pupils in their care and education respectively through engagement mechanisms, such as the Fe Fi Forum, Schools Councils and the Big Conversation events.

Our *Transforming our economy & infrastructure*, *Tackling Poverty* and *Transformation & future Council* objectives help deal with service poverty by improving access to services, such as affordable housing, arts and culture and Welsh language and other language services. Our *Tackling Poverty* objective contributes towards dealing with income poverty by helping to address the impacts of welfare reform, helping to reduce fuel bills and providing affordable transport. Our *Maintaining and enhancing Swansea's natural resources and biodiversity* objective seeks to provide free or low cost environmental training and events that are accessible and affordable for people on low incomes.

What work have you already done to improve any of the above?

Using the examples outlined earlier in Section 4:

- The Council co-ordinates a multi-agency response to address domestic abuse in Swansea. Domestic abuse is a key priority for action for the Public Service Board. Swansea is a white ribbon city for its work in tackling violence against women, domestic abuse and sexual violence. A Domestic Abuse One Stop Shop providing access to information and advice regarding domestic abuse is open in Swansea.
- Swansea was the first UK Council to adopt and embed the United Nations Convention on the Rights of the Child (UNCRC). Schools in Swansea participate in the *Rights Respecting Schools Award*. More than 100 schools have been supported by the Council to become Rights Respecting Schools. More than 15 of our schools have now achieved Level 2 – the highest level of the award granted by UNICEF UK to schools that have fully embedded children's rights in their policies, practice and ethos. YGG Llwynderw has become the first Welsh medium school in Wales to achieve the award.
- Community events are held to increase well-being, contribute to the local economy and promote community cohesion. For example, Eid in the Park is a family event open to all to celebrate the passing of Ramadan. The Council supports other annual events such as Swansea Sparkle, International Day Against Homophobia and Transphobia (IDAHOT), LGBT History Month, Swansea Pride and Bi Visibility Day.
- The Council initiated 3 Mynediad (basic level) 30 week training programmes for staff identified as requiring Welsh Language skills in the workplace. These were provided in work time and funded by the council. A second stage 30 week course (follow on from Mynediad) started on the same basis. In addition, face-to-face Welsh language awareness courses were run. Lunchtime drop-in sessions for learners (and others) to practise their Welsh language skills are held weekly.

Is the initiative likely to impact on Community Cohesion? Please provide details.

There is likely to be a positive impact on community cohesion from our well-being objectives. For example, our *Safeguarding people from harm* objective contains a commitment to work with partners to address safeguarding in its widest sense, including hate crime. Our *Improving Education & Skills* objective contains a commitment to teach young citizens to respect rights, understand responsibilities and be globally aware and responsible citizens by continuing to support schools to become UNICEF Rights Respecting Schools as part of our commitment to the UNCRC. Our *Transforming our*

economy & infrastructure objective contains a commitment to promote leisure and cultural events to help improve well-being, provide economic benefits and promote community cohesion and also to provide affordable housing and transport, including in rural areas. Our *Tackling poverty* objective commits to implementing the Community Cohesion Delivery Plan to promote cohesive and inclusive communities in Swansea. Our *Transformation & future Council* objective contains a commitment to make community budgets available so that local people can decide together with their representatives what their local priorities are. Our *Maintaining and enhancing Swansea's natural resources and biodiversity* objective seeks to engage with local communities to encourage volunteering to support and maintain their local environment.

How will the initiative meet the needs of Welsh speakers and learners?

There are specific commitments within our well-being objectives to meet the needs of Welsh speakers and learners. The Council aims to meet the demand for Welsh medium education and promote the use of the Welsh language in schools through the *Welsh in Education* strategic plan. The Council also commits to strengthening the Welsh language and other language services offered by the Council and provide basic language training for front line staff.

Actions (to mitigate adverse impact or to address identified gaps in knowledge).

- None identified.

Section 5 - United Nations Convention on the Rights of the Child (UNCRC):

In this section, we need to consider whether the initiative has any direct or indirect impact on children. Many initiatives have an indirect impact on children and you will need to consider whether the impact is positive or negative in relation to both children's rights and their best interests

Please visit <http://staffnet/eia> to read the UNCRC guidance before completing this section.

Will the initiative have any impact (direct or indirect) on children and young people? If not, please briefly explain your answer and proceed to Section 6.
Yes

Is the initiative designed / planned in the best interests of children and young people? Please explain your answer.

Best interests of the child (Article 3): The best interests of children must be the primary concern in making decisions that may affect them. All adults should do what is best for children. When adults make decisions, they should think about how their decisions will affect children. This particularly applies to budget, policy and law makers.

The Council's well-being objectives have been planned to be in the best interests of children and young people. Our *Safeguarding people from harm* objective seeks to take steps to ensure that children are safe from harm and stay with their families or be supported in family settings where it is safe for them to do so. Our *Improving education & skills* objective seeks to ensure that every child and young person in Swansea gains the skills and qualifications they need to succeed in life. Our *Transforming our economy & infrastructure* objective seeks to promote biodiversity and protect Swansea's green spaces, including parks, for recreation, play and to promote health & well-being. Our *Tackling Poverty* objective, among other steps in children's best interests, contains a commitment to ensure that young people are able to access employment, education or training after reaching 16 years of age. Our *Maintaining and enhancing Swansea's natural resources and biodiversity* objective seeks to provide opportunities for schoolchildren to access and learn from their natural environment.

Actions (to mitigate adverse impact or to address identified gaps in knowledge).

- None identified.

Section 6 - Monitoring arrangements:

Please explain the arrangements in place (or those which will be put in place) to monitor this initiative:

Monitoring arrangements: Performance Monitoring Report and Annual Review of Performance to Cabinet

Actions: None identified

Section 7 – Outcomes:

Having completed sections 1-5, please indicate which of the outcomes listed below applies to your initiative (refer to the guidance for further information on this section).

Outcome 1: Continue the initiative – no concern

X

Outcome 2: Adjust the initiative – low level of concern

☐

Outcome 3: Justify the initiative – moderate level of concern

☐

Outcome 4: Stop and refer the initiative – high level of concern.

☐

For outcome 3, please provide the justification below:

For outcome 4, detail the next steps / areas of concern below and refer to your Head of Service / Director for further advice:

Section 8 - Publication arrangements:

On completion, please follow this 3-step procedure:

1. Send this EIA report and action plan to the Access to Services Team for feedback and approval – acesstoservices@swansea.gov.uk
2. Make any necessary amendments/additions.
3. Provide the final version of this report to the team for publication, including email approval of the EIA from your Head of Service. The EIA will be published on the Council's website - this is a legal requirement.

Action Plan:

Objective - What are we going to do and why?	Who will be responsible for seeing it is done?	When will it be done by?	Outcome - How will we know we have achieved our objective?	Progress

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*** Please remember to be ‘SMART’ when completing your action plan (Specific, Measurable, Attainable, Relevant, Timely).**



Report of the Section 151 Officer

Council – 25 October 2018

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.
Recommendation(s):	It is recommended that: 1) The recommendations made in this report at Sections 3.11 to 3.13 are considered and approved.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

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 1 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 March 2018 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 2018 and makes specific recommendations in respect of reclassification of elements of those specific reserves.

2. Position as at 31st March 2018

- 2.1 The draft Statement of Accounts 2017/18 presented to our external Auditors included the following entries in respect of reserves as at 31st March 2018:

Usable Reserves	£'000	Purpose
General Fund	9,352	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	59,082	Consisting of sums set aside for specific purposes to support Corporate and Service needs
Usable Reserves	£'000	Purpose
Capital Receipts Reserve	6,454	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	13,474	Relates to committed funding on Capital schemes and cannot be used to support Revenue expenditure
Housing Revenue Account	6,781	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	95,143	

- 2.2 In addition the Council holds a net £255.178m 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 they are provided for general information only, 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 2017/18 Revenue Outturn position considered on 19th July 2018.
- 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 2017) 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 6th March 2018 forecast a cumulative deficit on General Fund Revenue Expenditure of some £69m by 2021/22 with an immediate savings requirement of £24m for 2019/20. This is in addition to the current year Directorate savings requirement of £16.5m. More recent forecasts indicate an even larger savings requirement will be likely, predominantly as a result of unfunded pay pressures and continued demographic pressures as well as the already planned and ultimately significant additional capital investment and the associated costs of borrowing.

- 3.2 Equally, 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 savings in jeopardy.
- 3.3 To put it into context, if all planned savings for 2018/19 are achieved it still leaves a gap of over £20m to be addressed for 2019/20.
- 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 have been dealt with through the use of the annual contingency fund, currently standing at an annual contribution of £3.45m. However, in 2017/18 the total exit costs exceeded the contingency fund, and as there is a reduced contingency fund this year, some exit costs will have to be funded from the Restructure Reserve. The first quarter monitoring report estimated £1.4m to be funded from the contingency fund, with a further £1.3m (Schools) to be funded by the restructuring reserve. This would leave about £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 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 2018/19 Budget Report to Council in March 2018 stated that there was an underlying planning assumption that £3m of the existing restructuring reserve be provisionally committed towards meeting part of the cost of staffing reductions as they fall due in 2018/19. In addition the Budget report approved by Council in March 2018 included the proposal that Schools would be able to specifically access up to £1.3m of the Restructure Reserve in 2018/19 on a one off basis. This funding will be

utilised in meeting ER/VR costs and facilitating innovative and transformative working.

- 3.10 As such it is vitally important that the restructuring reserve is protected as much as possible to enable the Council to carry out any necessary restructuring as it transforms under the Sustainable Swansea programme.
- 3.11 As recommended in last year's Review of Revenue Reserves report at year end a capital equalisation reserve was created from the underspend on debt charges. The recommendation continues to be that this reserve is topped up to help with any timing issues around the need to fund any City Deal projects in advance of receipt of funding from other bodies. It is recommended this year that the Repairs and Renewals for the Leisure Centres is re-classified as an equalisation reserve because from October 1st this will be used to smooth the fluctuations in the annual fees of the new contract in respect of operating the Leisure Centres.
- 3.12 As reported in the 1st Quarter Budget Monitoring Report to Cabinet on 16th August 2018, the Section 151 Officer has determined that in order to fully balance the budget in 2018/19 it will be necessary to take an immediate draw from Earmarked Reserves. As such a full review was carried out and £3,000,000 will be withdrawn from reserves and used to fund the current year overspend. This is a clear emergency measure and, as reserves are one off, is not a sustainable funding strategy. Furthermore these reserves were set up to fund known and expected future spend commitments and thus will mean the costs will have to be met when they actually fall due in future years budgets (e.g. the full cost of running the next local government election), when budgets are likely to be under even further strain.
- 3.13 **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 31/03/18 £'000	Proposed Change £'000	Recommended Position £'000
Technical/third party	947	-323	624
Insurance	16,801	-250	16,551
Transformation and efficiency	1,182	-42	1,140
Schools delegated reserves	7,101	0	7,101
Equalisation reserves	3,071	1,239	4,310
Commuted sums	6,140	0	6,140
Repair and renewal funds	3,665	-1,766	1,899
Profit share on disposals	1,318	0	1,318
Service earmarked reserves	5,431	-1,345	4,086
Capital reserves	5,749	0	5,749
Restructuring costs reserve	7,677	-513	7,164
Total Earmarked Reserves	59,082	-3,000	56,082

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 (for example 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 2018/19 a formal review of the Insurance reserve was completed and it was further determined that a take from the reserve of £700k per annum could be extended until 2021/22. This has already been built into planning assumptions.
- 4.5 As part of the budget setting process for 2019/20 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 1 to this report the Chief Finance Officer is required at all times to monitor the purpose and use of reserves.

6 Equality and Engagement 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

Appendices - Appendix 1 – 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.

	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.
Estimates of the level and timing of capital receipts	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.
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.
The treatment of planned efficiency savings/ productivity gains	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.
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	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.
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	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.
The general financial climate to which the authority is subject	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

	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.

Agenda Item 13.



Report of the Section 151 Officer

Council – 25 October 2018

City & County of Swansea Pension Fund Statement of Accounts 2017/18

Purpose:	To approve the statement of accounts 2017/18 for the City & County of Swansea Pension Fund
Consultation:	Legal, Finance and Access to Services.
Recommendation:	It is recommended that: - 1) The City & County of Swansea Pension Fund Statement of Accounts 2017/18 as attached at Appendix 1 are approved; 2) The recommendations and findings of the Wales Audit Office ISA 260 Report as attached at Appendix 2 are noted.
Report Author:	Jeff Dong
Finance Officer:	Jeff Dong
Legal Officer:	Steph Williams
Access to Services Officer:	Rhian Millar

City & County of Swansea Pension Fund Statement of Accounts 2017/18

1) Background

The City & County of Swansea Pension Fund Accounts have historically formed a distinct and separate component of the Statement of Accounts of the City & County of Swansea as a whole (also including the General Fund, Housing Revenue Account and Group Accounts). It has since been determined by Welsh Government that The Pension Fund Accounts are no longer required to be included within the Authority's Financial Statements but can be presented separately. The Swansea Pension Fund Statement of Accounts 2017/18 has previously been presented and approved by The Pension Fund Committee and the Local Pension Board.

2) Audit

The Wales Audit Office (WAO) have completed their audit of the Pension Fund Draft Statement of Accounts 2017/18 in line with their audit plan. WAO have provided an unqualified audit opinion of the financial statements and presented their findings in their ISA 260 Report to Pension Fund Committee in September 2018. Their report is included at Appendix 2.

3) Legal Implications

There are no legal implications arising from this report.

4) Financial Implications

There are no direct financial implications arising from this report.

5) Equality and Engagement Implications

There are no equality and engagement implications arising from this report.

Background Papers: None.

Appendices:

Appendix 1 – Draft Statement of Accounts 2017/18

Appendix 2 – Wales Audit Office ISA 260 Report

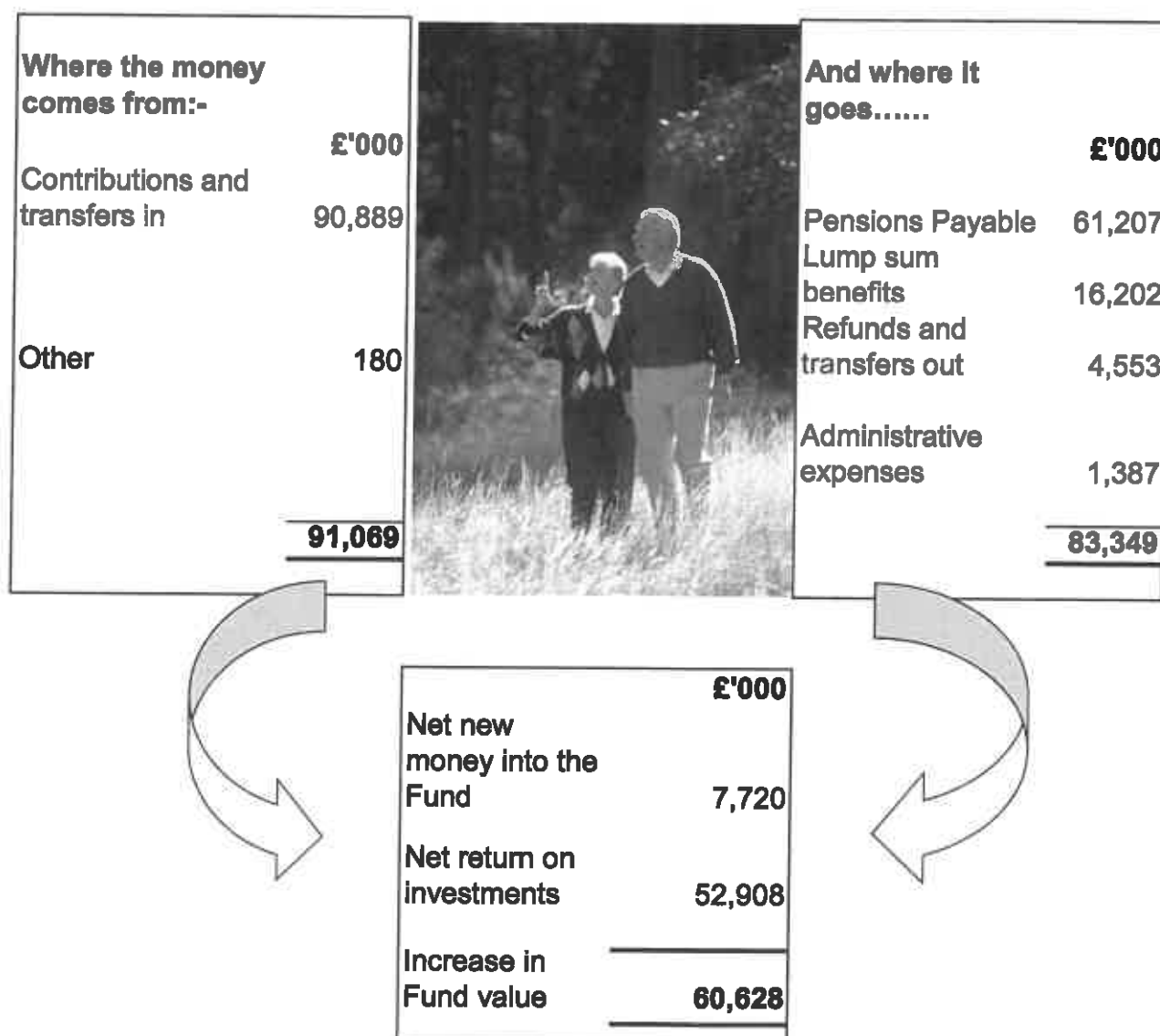
1. Introduction

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

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

- The Fund Account which shows income and expenditure of the fund during the year, split between payments to/contributions from members and transactions relating to fund investments.
- The Net Assets Statement which gives a snapshot of the financial position of the fund as at 31st March 2018.
- The Notes to The Financial Statements which are designed to provide further explanation of some of the figures in the statement and to give a further understanding of the nature of the fund.

2 Summary of transactions for the year



Section 151 Officer's Certificate

The Head of Financial Services and Service Centre, Section 151 Officer is responsible for the preparation of the Council's financial statements in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Code).

In preparing these financial statements, the Head of Financial Services and Service Centre, Section 151 Officer has :

- selected suitable accounting policies and then applied them consistently, except where
- policy changes have been noted in these accounts; made judgements and estimates that were reasonable and prudent and
- complied with the Code.

The Head of Financial Services and Service Centre, Section 151 Officer has also

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements for the Council give a true and fair view of its income and expenditure for the financial year 2017/18 and financial position of the City & County of Swansea Pension Fund as at 31st March 2018.

Ben Smith

Head of Financial Services and Service Centre, Section 151 Officer.

The independent auditor's report of the Auditor General for Wales to the members of City and County of Swansea as administering authority for City and County of Swansea Pension Fund

Report on the audit of the financial statements

Opinion

I have audited the financial statements of City and County of Swansea Pension Fund (the Pension Fund) for the year ended 31 March 2018 under the Public Audit (Wales) Act 2004. The Pension Fund's financial statements comprise the fund account, the net assets statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2018, and of the amount and disposition at that date of its assets and liabilities;
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the annual report. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit, the information contained in the Introduction and Appendices 1 - 5 of the financial statements for the financial year for which the financial statements are prepared is consistent with the financial statements and the annual report has been prepared in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the annual report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements, the responsible financial officer is responsible for the preparation of the financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsible financial officer is responsible for assessing the pension fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Anthony Barrett
For and on behalf of the Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

6th November 2018

CITY & COUNTY OF SWANSEA PENSION FUND

Fund Account For The Year Ended 31st March

2016/17			2017/18	
£'000	Contributions and benefits	Notes	£'000	£'000
	Contributions receivable :			
64,818	Employers contribution	3	70,032	
16,903	Members contribution	3	17,666	87,698
3,841	Transfers in	4		3,191
194	Other income	5		180
<u>85,756</u>				<u>91,069</u>
	Benefits payable :			
-58,454	Pensions payable	6	-61,207	
-17,779	Lump sum benefits	6	-16,202	-77,409
	Payments to and on account of leavers :			
-120	Refunds of contributions	7	-101	
-4,750	Transfers out	7	-4,452	-4,553
-1,141	Management Expenses	8		-1,387
<u>3,512</u>	Net additions from dealing with members			<u>7,720</u>
	Returns on investments			
29,838	Investment income	9		30,891
315,415	Change in market value of investments	12		27,954
-5,512	Investment management expenses	8		-5,937
<u>339,741</u>	Net returns on investments			<u>52,908</u>
<u>343,253</u>	Net Increase In the fund during the year			<u>60,628</u>
1,512,629	Opening Net Assets of the Fund			1,855,882
1,855,882	Closing Net Assets of the Fund			1,916,510

CITY & COUNTY OF SWANSEA PENSION FUND

Net Assets Statement As At 31 March

31st March 2017		31st March 2018
£'000	Notes	£'000
Investments at market value:		
1,780,339 Investment Assets	11	1,831,794
1,664 Cash Funds	12	761
67,561 Cash Deposits	12	77,046
3,211 Other Investment Balances - Dividends Due	12	3,672
1,852,775 Sub Total		1,913,273
7,402 Current Assets	16	7,499
-4,295 Current Liabilities	16	-4,262
<u>1,855,882 Net assets</u>		<u>1,916,510</u>

The financial statements on pages 1 to 44 summarise the transactions of the Fund and deal with the net assets at the disposal of the Pension Fund Committee. The financial statements do not take account of liabilities and other benefits which fall due after the period end. The actuarial position of the Fund, which does take account of such liabilities, is dealt with in the Statement of the Actuary in the Annual Report of the Pension Fund and a summary is included in Note 18 of this statement, and these accounts should be read in conjunction with this information.

Notes to the Financial Statements

1. Basis of preparation

The financial statements summarise the fund's transactions for the 2017/18 financial year and its position at year-end 31 March 2018. The financial statements have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2017/18* which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

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

2. Accounting Policies

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

(a) Contributions

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

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

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

(b) Benefits

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

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

(c) Transfers to and from other Schemes

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

(d) Investments

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

2. Accounting Policies (continued)

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

e) Financial Instruments

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

f) Cash and Cash Funds

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

g) Investment Income

Investment income and interest received are accounted for on an accruals basis. When an investment is valued ex dividend, the dividend is included in the Fund account. Distributions from pooled investment vehicles are automatically reinvested in the relevant fund.

2. Accounting Policies (continued)

h) Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the net asset statement as 31 March 2018 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

- Actuarial present value of promised retirement benefits

i) Critical Judgements In applying accounting policies

The funds liability is calculated every three years by the appointed actuary. The methodology used is in line with accepted guidelines and in accordance with IAS19. Assumptions underpinning the valuations are agreed with the actuary. The estimate is subject to significant variances based on changes to the underlying assumptions.

Unquoted private equity investments - these are inherently based on forward looking estimates and judgements valued by the investment managers using two main sets of valuation guidelines that apply to private equity; the Private Equity Valuation Guidelines (PEVG) in the US and the International Private Equity and Venture Capital Guidelines (IPEVCG) outside the US. The value of the unquoted private equities at 31st March 2018 was £67.53 million (£60.68 million as at 31st March 2017).

j) Other

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

CITY & COUNTY OF SWANSEA PENSION FUND

3. Analysis of Contributions

Total Contributions		Total Contributions
2016/17 £'000		2017/18 £'000
<u>Administering Authority</u>		
46,623	City & County of Swansea	50,268
<u>Admitted Bodies</u>		
364	Celtic Community Leisure	412
42	Swansea Bay Racial Equality Council	11
117	Wales National Pool	118
2,547	Tai Tarian	2,511
676	Pobl Group	553
11	Rathbone Training Ltd (CCS)	5
36	Rathbone Training Ltd (Gower College)	31
3,793	Total Admitted Bodies	3,641
<u>Scheduled Bodies</u>		
8	Cilybebyll Community Council	9
29	Coedffranc Community Council	40
1,737	Gower College Swansea	2,246
1,699	NPTC Group	2,022
71	Neath Town Council	64
26,087	Neath Port Talbot County Borough Council	27,662
37	Margam Joint Crematorium Committee	38
5	Pelenna Community Council	7
16	Pontardawe Town Council	19
27	Swansea Bay Port Health Authority	16
1,584	University of Wales Trinity St Davids	1,655
2	Briton Ferry Town Council	5
2	Llanrhidian Higher Community Council	3
1	Ysalyfera Community Council	3
31,305	Total Scheduled Bodies	33,789
81,721	Total Contributions Receivable	87,698

CITY & COUNTY OF SWANSEA PENSION FUND

3. Analysis of Contributions (continued)

Total Employer/Employee contributions comprise of:

2016/17		2017/18
£'000		£'000
Employers		
60,780	Normal	66,390
0	Other	0
4,038	Early Access	3,642
64,818	Total	70,032
Employees		
16,863	Normal	17,627
40	Other	39
16,903	Total	17,666
81,721	Total Contributions Receivable	87,698

CITY & COUNTY OF SWANSEA PENSION FUND

4. Transfers In

Transfers in comprise of:

2016/17		2017/18
£'000		£'000
0	Group transfers from other schemes	0
3,841	Individual transfers from other schemes	3,191
3,841	Total	3,191

5. Other Income

Other income comprise of:

2016/17		2017/18
£'000		£'000
200	Bank Interest	180
-6	Early Access - Interest	0
194	Total	180

6. Benefits Payable

By category

2016/17		2017/18
£'000		£'000
58,454	Pensions	61,207
15,417	Commutation and lump sum retirement benefits	14,888
2,362	Lump sum death benefits	1,314
76,233	Total	77,409

7. Payments to and on account of leavers

Transfers out and refunds comprise of:

2016/17		2017/18
£'000		£'000
120	Refunds to members leaving service	101
4,750	Individual transfers to other schemes	4,452
4,870	Total	4,553

CITY & COUNTY OF SWANSEA PENSION FUND

8. Administrative and Investment Management Expenses

All administrative and investment management expenses are borne by the Fund:

2016/17 £'000		2017/18 £'000
	Administrative Expenses	
690	Support Services (SLA) & Employee Costs	755
18	Printing & Publications	18
169	Other	305
877		1,078
	Oversight & Governance	
55	Actuarial Fees	43
45	Advisors Fees	123
50	External Audit Fees	45
10	Performance Monitoring Service	14
6	Pension Fund Committee	5
1	Pension Board	2
97	All Wales Pool Fees	77
264		309
1,141		1,387
	Investment Management Expenses	
4,894	Management Fees	4,402
494	Performance Fees	1,400
124	Custody Fees	135
5,512		5,937
6,653	Total	7,324

The above represents direct fees payable to the appointed fund managers, however the following mandates are appointed via a fund of funds/manager of managers approach and the table below represents the fees payable to underlying managers. Returns for these mandates are net of underlying fee costs. However for disclosure purposes the fees incurred were:

2016/17 £'000		2017/18 £'000
277	Partners Group	997
678	Blackrock	972
1,300	Schroders Property Fund	1,420
733	Permal	633
715	HarbourVest	678
3,703	Total	4,700

CITY & COUNTY OF SWANSEA PENSION FUND

9. Investment Income

2016/17	2017/18
£'000	£'000
15,596 U.K. Equities	16,349
9,169 Overseas Equities	10,020
3,854 Managed Fund - Fixed Interest	3,102
1,289 Pooled Investment vehicles - Property Fund	1,483
-70 Interest and other Income	-63
29,838 Total	30,891

The assets under management by Blackrock are managed wholly in a pooled investment vehicle. The pooled investment vehicles are a combination of equity, bond and money market unit funds which operate on an 'accumulation' basis, i.e. all dividends and investment income are automatically reinvested back into their relevant funds and not distributed as investment income. Therefore, the fund value and change in market value on these funds will reflect both capital appreciation / depreciation plus reinvested investment income.

10. Taxation

a) United Kingdom

The Fund is exempt from Income Tax on interest and dividends and from Capital Gains Tax but now has to bear the UK tax on other income. The fund is reimbursed V.A.T. by H.M. Revenue and Customs and the accounts are shown exclusive of V.A.T.

b) Overseas

The majority of investment income from overseas suffers a withholding tax in the country of origin.

11. Investment Assets

	31st March 2017			31st March 2018		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
Equities						
Quoted	414,015	456,711	870,726	424,093	477,911	902,004
	414,015	456,711	870,726	424,093	477,911	902,004
Pooled Investment vehicles						
Managed Funds:						
Quoted:						
Equity	0	16,585	16,585	0	17,226	17,226
Fixed Interest	0	118,328	118,328	0	117,508	117,508
Unquoted:						
Equity	149,787	315,506	465,293	152,177	326,367	478,544
Fixed Interest	60,643	18,349	76,992	60,950	15,633	76,583
Index-linked	32,282	0	32,282	32,547	0	32,547
Property Unit Trust	12,053	0	12,053	15,831	0	15,831
Property Fund	36,182	38,911	75,073	33,035	36,390	69,425
Hedge Fund	0	52,318	52,318	0	54,601	54,601
Private Equity	0	60,689	60,689	0	67,525	67,525
Total pooled Investment vehicles	290,927	618,686	909,613	294,540	635,250	929,790
Total equities and pooled Investment vehicles	704,942	1,075,397	1,780,339	718,633	1,113,161	1,831,794
Cash Funds			1,664			761
Cash			67,561			77,046
Other Investment Balances Due			3,211			3,672
Total			1,852,775			1,913,273

CITY & COUNTY OF SWANSEA PENSION FUND

11. Investment Assets (continued)

An analysis of investment assets based on the class of investment is shown below :

31st March 2017 £'000 Investment assets		31st March 2018 £'000	
195,320	Fixed interest	194,091	
32,282	Index linked securities	32,547	
563,802	U.K. equities	576,270	
788,802	Overseas Equities	821,504	
87,126	Property	85,256	
52,318	Hedge Funds	54,601	
60,689	Private Equity	67,525	
0	Infrastructure	0	
1,780,339	Total Investment assets	1,831,794	

CITY & COUNTY OF SWANSEA PENSION FUND

12. Reconciliation of movements In Investments

		Value at 31st March 2017	Purchases	Sales	Change In Market Value	Value at 31st March 2018
		£'000	£'000	£'000	£'000	£'000
Equities						
	Aberdeen	130,967	20,036	-17,083	1,685	135,605
	JPM	350,252	328,051	-326,437	12,409	364,275
	Schroders	406,092	73,080	-50,834	-8,988	419,350
	L&G/Blackrock	465,293	2,789	-6	10,468	478,544
		<u>1,352,604</u>	<u>423,956</u>	<u>-394,360</u>	<u>15,574</u>	<u>1,397,774</u>
Property						
UK						
	Schroders	48,215	6,357	-9,448	3,742	48,866
Overseas						
	Partners	25,089	2,189	-7,401	2,003	21,880
	Invesco	13,822	0	-638	1,326	14,510
		<u>87,126</u>	<u>8,546</u>	<u>-17,487</u>	<u>7,071</u>	<u>85,256</u>
Fixed Interest						
Fixed Interest						
	L&G/Blackrock	76,992	0	0	-409	76,583
	Goldman	118,328	3,101	0	-3,921	117,508
		<u>195,320</u>	<u>3,101</u>	<u>0</u>	<u>-4,330</u>	<u>194,091</u>
Index-Linked						
	L&G/Blackrock	32,282	0	0	265	32,547
		<u>32,282</u>	<u>0</u>	<u>0</u>	<u>265</u>	<u>32,547</u>
Hedge Funds						
	Blackrock	27,590	0	-466	1,773	28,897
	Permal	24,728	0	-391	1,367	25,704
		<u>52,318</u>	<u>0</u>	<u>-857</u>	<u>3,140</u>	<u>54,601</u>
Private Equity						
	HarbourVest	60,689	16,053	-15,446	6,229	67,525
		<u>60,689</u>	<u>16,053</u>	<u>-15,446</u>	<u>6,229</u>	<u>67,525</u>
Infrastructure						
	First State	0	0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash funds						
	Schroders	1,664	0	-908	5	761
		<u>1,664</u>	<u>0</u>	<u>-908</u>	<u>5</u>	<u>761</u>
Total						
		<u>1,782,003</u>	<u>451,656</u>	<u>-429,058</u>	<u>27,954</u>	<u>1,832,555</u>
Cash						
		67,561				77,046
Other Investment Balances -						
Dividends Due						
		3,211				3,672
TOTAL						
		<u>1,852,775</u>			<u>27,954</u>	<u>1,913,273</u>

CITY & COUNTY OF SWANSEA PENSION FUND

12. Reconciliation of movements in investments (continued)

Transaction costs are included in the cost of purchase and sales proceeds. Identifiable transaction costs incurred in the year relating to segregated investments amounted to £842k (2016/17 : £264k). Costs are also incurred by the Fund in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the bid/offer spread of these investments and are not separately disclosed. During the year, the passively managed assets previously managed by Legal & General Asset Management transitioned to Blackrock Asset Management as part of the collaborative procurement exercise undertaken as a precursor to the Wales Pension Partnership.

13. Concentration of Investments

The following investments represented 5% or more of the Fund's net assets at 31st March 2018:

	Value as at the 31st March 2017	Proportion of Net Asset	Value as at the 31st March 2018	Proportion of Net Asset
	£'000	%	£'000	%
Blackrock UK Equity Index	149,787	8.1	152,177	8.0
Goldman Sachs Global Libor Plus II	118,328	6.4	117,508	6.1
Blackrock North America Equity	146,379	7.9	149,143	7.8
JP Morgan North American Equities	198,563	10.7	209,177	10.9

14. Realised Profit on the Sale of Investments

2016/17 £'000	2017/18 £'000
9,312 U.K. Equities	17,609
39,557 Overseas Equities	56,905
2,286 Property Fund	3,735
2 Cash Fund	2
51,157 Net Profit	78,251

15. Fixed Interest and Index Linked Investments

The fixed interest and index-linked investments are comprised of:

31st March 2017 £'000	31st March 2018 £'000
147,948 UK Public Sector	143,791
79,654 Other	82,847
227,602	226,638

CITY & COUNTY OF SWANSEA PENSION FUND

16. Current Assets and Liabilities

The amounts shown in the statement of Net Assets are comprised of:

31st March 2017 £'000		31st March 2018 £'000
Current Assets		
593	Contributions - Employees	629
2,594	Contributions - Employers	2,430
2,565	Early Access Contributions Debtor	2,789
406	Transfer Values	441
1,244	Other	1,210
7,402		7,499
Current Liabilities		
-547	Investment Management Expenses	-529
-1,970	Commutation and lump sum retirement benefits	-1,817
-44	Lump sum death benefits	-40
-677	Transfers to Other Schemes	-751
-602	Payroll Deductions - Tax	-602
-30	Payable Control List	-34
-425	Other	-489
-4,295		-4,262
3,107	Net	3,237

Analysed as:

31st March 2017 £'000		31st March 2018 £'000
Current Assets		
511	Central Government Bodies	701
6,039	Other Local Authorities	6,210
852	Other Entities and Individuals	588
7,402		7,499
Current Liabilities		
-216	Central Government Bodies	-36
-739	Other Local Authorities	-661
-3,340	Other Entities and Individuals	-3,565
-4,295		-4,262
3,107	Net	3,237

CITY & COUNTY OF SWANSEA PENSION FUND

16. Current Assets & Liabilities (continued)

Early Access Debtor

	Instalment Due 2018/19 £'000	Instalment Due 2019/20 £'000	Instalment Due 2020/21 £'000	Instalment Due 2021/22 £'000	Total £'000
Early Access Principal Debtor	2,967	0	0	0	2,967
Early Access Interest Debtor	0	0	0	0	0
Total (Gross)	2,967	0	0	0	2,967

17. Capital and Contractual Commitments

As at 31st March 2018 the Scheme was committed to providing funding to appointed managers investing in unquoted securities. These commitments amounted to £100.7m (2016/17 : £70.0m).

CITY & COUNTY OF SWANSEA PENSION FUND

18. Statement of the Actuary for the year ended 31 March 2018

Introduction

The Scheme Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the City & County of Swansea Pension Fund (the Fund) is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2016 by Aon, in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.

Actuarial Position

- 1 The valuation as at 31 March 2016 showed that the funding ratio of the Fund was broadly similar to the funding ratio as at the previous valuation, with the market value of the Fund's assets at 31st March 2016 (of £1,512.6M) covering 80% of the liabilities in respect of service prior to the valuation date allowing, in the case of pre 1 April 2014 membership for current contributors to the Fund, for future increases in pensionable pay.
- 2 The valuation also showed that the aggregate level of contributions required to be paid by participating employers with effect from 1 April 2017 was:
 - 18.0% of pensionable pay. This was the rate calculated as being sufficient, together with contributions paid by members, to meet the liabilities arising in respect of service after the valuation date (the primary rate).

Plus

 - Monetary amounts to restore the assets to 100% of the liabilities in respect of service prior to the valuation date over a recovery period of 22 years from 1 April 2017 (the secondary rate), equivalent to 7.0% of pensionable pay (or £20.1M in 2017/18, and increasing by 3.5% p.a. thereafter).
- 3 In practice, each individual employer's or group of employers' position is assessed separately and contributions are set out in Aon's report dated 31 March 2017 (the "actuarial valuation report"). In addition to the contributions shown above, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.
- 4 The funding plan adopted in assessing the contributions for each individual employer or group was in accordance with the Funding Strategy Statement in force at the time. The approach adopted, and the recovery period used for each employer was agreed with the administering authority reflecting the employers' circumstances.
- 5 The valuation was carried out using the projected unit actuarial method for most employers and the main actuarial assumptions used for assessing the funding target and the contribution rates were as follows.

18. Statement of the Actuary for the year ended 31 March 2018 (continued)

Discount rate for periods in service

Scheduled body employers *	4.6% p.a.
Orphan body employers	4.6% p.a.

Discount rate for periods after leaving service

Scheduled body employers *	4.6% p.a.
Orphan body employers	2.5% p.a.
Rate of pay increase	3.5% p.a.
Rate of increase to pension accounts	2.0% p.a.
Rate of increase in pensions in payment (In excess of Guaranteed Minimum Pension)	2.0% p.a.

**The scheduled body discount rate was also used for employers whose liabilities will be subsumed after exit by a scheduled body.*

In addition the discount rate for orphan liabilities (i.e. where there is no scheme employer responsible for funding those liabilities) was 2.1% p.a. in service and left service.

The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was in line with standard self-administered pension scheme (SAPS) S2P mortality tables with appropriate scaling factors applied based on the mortality experience of members within the Fund and included an allowance for improvements based on the Continuous Mortality Investigation (CMI) Core Projections Model released with Working Paper 91 with Core assumptions, with a long term annual rate of improvement in mortality rates of 1.5% p.a. The resulting average future life expectancies at age 65 were :

	Men	Women
Current pensioners aged 65 at the valuation date	22.8	24.3
Future pensioners aged 45 at the valuation date	24.4	26.1

The assets were valued at market value.

Further details of the assumptions adopted for the valuation were set out in the actuarial valuation report.

6. The valuation results summarised above are based on the financial position and market levels at the valuation date, 31 March 2016. As such the results do not make allowance for changes which have occurred subsequent to the valuation date.

7. The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2017 to 31 March 2020 were signed on 31 March 2017. Other than as permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund due as at 31 March 2019 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.

8. Since the date the valuation report was signed, HM Treasury, in its response to the consultation on indexation and equalisation of GMPs in public sector schemes, has made an announcement to extend the Indexation of GMPs to those reaching State Pension Age on or before 5 April 2021 (previously 5 December 2018). This extension period was not allowed for in the valuation results as the actuarial valuation report was signed off before the announcement, but the increase in liability is not expected to be material.

In addition, amendment Regulations have been laid which provide for exit credits to be repaid to employers on exit, effective from 14 May 2018. It is anticipated that the Administering Authority will consider whether its Funding Strategy Statement should be revised on account of these changes but it is not expected that any surplus repayable to employers on exit will be material.

9. This Statement has been prepared by the current Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2016. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

CITY & COUNTY OF SWANSEA PENSION FUND

18. Statement of the Actuary for the year ended 31 March 2018 (continued)

This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.

Aon does not accept any responsibility or liability to any party other than our client, the City and County of Swansea, the Administering Authority of the Fund, in respect of this Statement.

10. The report on the actuarial valuation as at 31 March 2016 is available from the Fund's website at the following address:

<http://www.swanseapensionfund.org.uk/investment-and-fund/actuarial-valuations/>

Aon Hewitt Limited
May-18

Actuarial Present Value of Promised Retirement Benefits

CIPFA's Code of Practice also requires the actuarial present value of the promised retirement benefits to be disclosed based on IAS26 and using assumptions relevant to IAS19 and not the funding assumptions above. The actuarial present value of the promised retirement benefits on this basis as at 31st March 2016 is £2,249.7m (31st March 2013 £1,936.8m), which compares the market value of the assets at that date of £1,512.6m (31st March 2013 £1,277.6m).

Definitions

Admission Body

An employer admitted to the Fund under an admission agreement.

Orphan Body

This is an admission body or other employer whose participation in the Fund may cease at some future point in time, after which it is expected that the Administering Authority will have no access to future contributions in respect of the employer's liabilities in the Fund once any liability on cessation has been paid.

Scheduled Body

Employers which participate in the Fund under Schedule 2 of the Administration Regulations.

Subsumption and subsumption body

When an admission body or other employer ceases participation in the Fund, so that it has no employees contributing to the Fund and once any contribution on cessation as required by the regulations has been paid, the Fund will normally be unable to obtain further contributions from that employer (eg if future investment returns are less than assumed). It is however possible for another long term employer in the Fund (generally a scheduled body) to agree to be a source of future funding should any funding shortfalls emerge on the original employer's liabilities. The long term employer effectively subsumes the assets and liabilities of the ceasing employer into its own assets and liabilities. In this document this is known as subsumption. In this document the admission body or other employer being subsumed is referred to as a subsumption body and its liabilities are known as subsumed liabilities.

18. Actuarial Present Value of Promised Retirement Benefits - Statement of the Actuary for the year ended 31 March 2018 (continued)

Rates & Adjustment Certificate

Actuarial certificate given for the purposes of Regulation 62 of the Local Government Pension Scheme Regulations 2013.

In accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013 ("the 2013 Regulations"), we certify that contributions should be paid by Employers at the following rates for the period 1st April 2017 to 31st March 2020.

- i) An aggregate primary rate of 18.0% pa of Pensionable Pay.
- ii) Individual adjustments (i.e. secondary contribution rates) which, when added to or subtracted from the primary rate, produce the following minimum Employer contribution rates.

CITY & COUNTY OF SWANSEA PENSION FUND

18. Actuarial Present Value of Promised Retirement Benefits - Statement of the Actuary for the year ended 31 March 2018 (continued)

Employer	Primary contribution rate % pensionable pay	Secondary contributions (% Pensionable pay and £s) in year commencing 1 April			Total contributions (% Pensionable pay and £s) in year commencing 1 April		
		2017	2018	2019	2017	2018	2019
Schedule 2 Part 1 bodies/ Schedule 2 Part 2 bodies (Scheduled bodies)							
City & County of Swansea	17.9%	5.5%	6.5%	7.9%	23.4%	24.4%	25.8%
Neath Port Talbot County Borough Council	17.8%	7.7%	8.5%	9.3%	25.5%	26.3%	27.1%
Cilybebyll Community Council	27.6%	-4.7%	-2.3%	0.1%	22.9%	25.3%	27.7%
Coedffranc Community Council	20.3%	-0.1% plus £5,300	-0.1% plus £5,500	-0.1% plus £5,700	20.2% plus £5,300	20.2% plus £5,500	20.2% plus £5,700
Neath Town Council	20.3%	-0.1% plus £16,200	-0.1% plus £16,800	-0.1% plus £17,400	20.2% plus £16,200	20.2% plus £16,800	20.2% plus £17,400
Pelenna Community Council	27.0%	£1,200	£1,200	£1,300	27.0% plus £1,200	27.0% plus £1,200	27.0% plus £1,300
Pontardawe Town Council	23.0%	£800	£800	£900	23.0% plus £800	23.0% plus £800	23.0% plus £900
Gower College	17.9%	3.8%	3.9%	3.9%	21.7%	21.8%	21.8%
NPTC Group	17.7%	£168,400	£174,300	£180,400	17.7% plus £168,400	17.7% plus £174,300	17.7% plus £180,400
Margam Joint Crematorium Committee	20.3%	-0.1% plus £9,400	-0.1% plus £9,700	-0.1% plus £10,100	20.2% plus £9,400	20.2% plus £9,700	20.2% plus £10,100
Swansea Bay Port Health Authority	5.8%	16.6% plus £0	16.6% plus £4,400	16.6% plus £9,000	22.4% plus £0	22.4% plus £4,400	22.4% plus £9,000
Schedule 2 Part 3 bodies (Admission bodies)							
Celtic Community Leisure	13.2%	-	-	-	13.2%	13.2%	13.2%
Gnwp Gwallia Cyl	22.0%	-1.6%	-1.6%	-1.6%	20.4%	20.4%	20.4%
Neath Port Talbot Homes Ltd	17.0%	£62,300	£218,500	£374,700	17.0% plus £62,300	17.0% plus £218,500	17.0% plus £374,700
Rathbone Training Ltd (City & County of Swansea)	22.4%	2.8%	2.8%	2.8%	25.2%	25.2%	25.2%
Rathbone Training Ltd (Gower College)	24.3%	-	-	-	24.3%	24.3%	24.3%

Swansea Bay Racial Equality Council	37.0%	-1.8% plus £600	-0.9% plus £1,300	£2,000	35.2% plus £600	36.1% plus £1,300	37.0% plus £2,000
Trinity St Davids	28.0%	£389,400	£542,300	£686,100	28.0% plus £389,400	28.0% plus £542,300	28.0% plus £686,100
Wales National Pool	14.2%	-	-	-	14.2	14.2	14.2
Total	18.0%	5.5% plus £653,600	6.3% plus £974,800	7.3% plus £1,287,600	23.5% plus £653,600	24.3% plus £974,800	25.3% plus £1,287,600

The contribution rates for the City & County of Swansea, Neath Port Talbot County Borough Council and Gower College have been set as a percentage of pay. However, minimum monetary contribution amounts for these employers have been agreed with the Administering Authority, and if the contributions actually received fall below this minimum level additional payments will be required. These minimums are such that the total contributions in aggregate must be no less than :

City & County of Swansea

17.9% of pensionable pay plus £8.18M in 2017/18, 17.9% of pensionable pay plus £9.53M in 2018/19, 17.9% of pensionable pay plus £11.37M in 2019/20.

Neath Port Talbot County Borough Council

17.8% of pensionable pay plus £6.18M in 2017/18, 17.8% of pensionable pay plus £6.82M in 2018/19, 17.8% of pensionable pay plus £7.47M in 2019/20

Gower College

17.9% of pensionable pay plus £250,000 in 2017/18, 17.9% of pensionable pay plus £259,000 in 2018/19, 17.9% of pensionable pay plus £268,000 in 2019/20

The contributions shown above represent the minimum contributions to be paid by each Employer. Employers may choose to pay additional contributions from time to time subject to the Administering Authority's agreement.

Where payments due from an Employer are expressed as monetary amounts, the amounts payable by that Employer may be adjusted to take account of any amounts payable, in respect of surplus or shortfall to which those monetary payments relate, by new employers created after the valuation date which have been credited with proportions of the assets and liabilities of the relevant Employer.

Additional contributions may be required in respect of any additional liabilities that arise under the provisions of Regulations 30, 31, 35 and 38 of the 2013 Regulations and Employers will be notified of such contributions separately by the Administering Authority.

Additional contributions may be payable by any Employers which have ceased to participate in the Fund since 31 March 2016 and these will be certified separately.
Contribution rates for Employers commencing participation in the Fund after 31 March 2016 will be advised separately.
This certificate should be read in conjunction with the notes overleaf.

Signed on behalf of Aon Hewitt Limited



Chris Archer FIA
Fellow of the Institute and Faculty of Actuaries

30 March 2017

Aon Hewitt Limited
25 Marsh Street
Bristol BS1 4AQ



Laura Hamilton FIA
Fellow of the Institute and Faculty of Actuaries

19. Related party transactions

£755k (£690k 2016/17) was paid to the City & County of Swansea for the recharge of Administration, I.T., Finance and Directorate & Legal Services during the year.

Contributions received from admitted and scheduled bodies as detailed on page 8.

The City & County of Swansea acts as administering Authority for the City and County of Swansea Pension Fund (formerly the West Glamorgan Pension Fund).

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

The Pension Fund currently has 35 scheduled and admitted bodies. Management of the Pension Scheme Investment Fund is undertaken by a panel. The panel is advised by two independent advisors.

Key Management Personnel

The key management personnel of the Fund are the Chief Executive and the Head of Financial Services & Service Centre, Section 151 Officer. As required by 3.9.4.2 of the CIPFA code of practice 2016/17, the figures below show the change in value of post-employment benefits provided to these individuals over the accounting year based on the percentage of time on matters relating to the Pension Fund. The value of the benefits has been calculated consistently with those of the whole Fund disclosure provided in Note 18, albeit the figures below have been calculated at different dates to those used for the whole fund disclosure.

	Increase/(decrease) in IAS19 liability to 31 March 2018		Increase/(decrease) in IAS19 liability to 31 March 2017	
	Amount (£)	Percentage (%) of year end liability	Amount (£)	Percentage (%) of year end liability
Chief Executive	81,000	5.2	333,000	28.1
Head of Financial Services & Service Centre, Section 151 Officer	64,000	30.7	28,000	16.1

CITY & COUNTY OF SWANSEA PENSION FUND

19. Related Party Transactions Cont'd

	Short Term Benefits to 31 March 2018		Short Term Benefits to 31 March 2017	
	Remuneration (Including Fees & Allowances) £	Pension Contributions (23.4%) £	Remuneration (Including Fees & Allowances) £	Pension Contributions (22.4%) £
Chief Executive (i)	142,814	33,418	162,667	31,108
Head of Financial Services & Service Centre, Section 151 Officer (ii)	71,951	16,764	6,181	1,385

Notes in relation to 2016/17

(i) The Chief Executive retired on the 31st May 2016. The Director of Place became the Chief Executive on 1st June 2016 but was remunerated from 1st May 2016 in a one month handover period prior approved by Council decision.

(ii) The Head of Financial Services & Service Centre (previously Head of Finance & Delivery) was the Director of Resources from 28th April 2016.

Requirements for Officer remuneration and members allowances is detailed in section 3.4 of the Code and can be found in the financial statements of the City & County of Swansea.

CITY & COUNTY OF SWANSEA PENSION FUND

19. Related Party Transactions Cont'd

There are 7 councillor members of the pension committee who are active members in the City & County of Swansea Pension Fund. The benefit entitlement for the Councillors is accrued under the same principles that apply to all other members of the Fund.

20. Additional Voluntary Contributions

Some members of the Fund pay voluntary contributions to the fund's AVC providers, The Prudential, to buy extra pension benefits when they retire. These contributions are invested in a wide range of assets to provide a return on the money invested. Some members also still invest and have funds invested with the legacy AVC providers, Equitable Life and Aegon.

The Pension Fund accounts do not include the assets held by The Prudential, Equitable Life or Aegon. AVCs are not included in the accounts in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946) but are disclosed as a note only.

AVC Provider	Value of Funds at 1st April 2017	Purchases at Cost (Contributions In/Out)	Sale Proceeds	Change in Market Value	Value of Funds at 31st March 2018
	£'000	£'000	£'000	£'000	£'000
Prudential	5,226	1,604	-1,305	137	5,662
Aegon	1,124	27	-77	32	1,106
Equitable Life	279	1	-37	6	249
Totals	6,629	1,632	-1,419	175	7,017

CITY & COUNTY OF SWANSEA PENSION FUND

21. Membership

The Pension Fund covers City & County of Swansea employees (except for teachers, for whom separate pension arrangements apply), and other bodies included in the schedule.

Detailed national regulations govern the rates of contribution by employees and employers, as well as benefits payable. At 31st March 2018 there were 19,671 contributors, 12,763 pensioners and 11,394 deferred pensioners.

Membership statistics	31st March 2014	31st March 2015	31st March 2016	31st March 2017	31st March 2018
	Number	Number	Number	Number	Number
Contributors	15,576	16,285	17,469	17,903	19,671
Pensioners	10,833	11,261	11,745	12,200	12,763
Deferred Pensioners	9,663	9,801	11,226	11,583	11,394
Total	36,072	37,347	40,440	41,686	43,828

See Appendix 1 for current year analysis

22. Fair Value of Investments

Financial Instruments

The Fund invests mainly through pooled vehicles with the exception of three segregated equity mandates. The managers of these pooled vehicles invest in a variety of financial instruments including bank deposits, quoted equity instruments, fixed interest securities, direct property holdings and unlisted equity and also monitor credit and counterparty risk, liquidity risk and market risk.

Financial Instruments - Gains & Losses

Gains and losses on financial instruments have been disclosed within note 9, 12 and 14 of the pension fund accounts.

Fair Value – Hierarchy

The fair value hierarchy introduced as part of the new accounting Code under IFRS7 requires categorisation of assets based upon 3 levels of asset valuation inputs -

- Level 1 - quoted prices for similar instruments.
- Level 2 - directly observable market inputs other than Level 1 inputs.
- Level 3 - inputs not based on observable market data.

The table on the following page shows the position of the Fund's assets at 31st March 2017 and 2018 based upon this hierarchy:

CITY & COUNTY OF SWANSEA PENSION FUND

22. Fair Value of Investments (continued)

FAIR VALUE - HIERARCHY

	Market Value £'000	31 March 2017			Market Value £'000	31 March 2018		
		Level 1 £'000	Level 2 £'000	Level 3 £'000		Level 1 £'000	Level 2 £'000	Level 3 £'000
Equities								
UK Equities	414,015	414,015	-	-	424,093	424,093	-	-
Overseas Equities	456,711	456,711	-	-	477,911	477,911	-	-
Pooled Investment Vehicles								
Fixed-Interest Funds	118,328	118,328	-	-	117,508	117,508	-	-
UK Equity	149,787	-	-	149,787	152,177	-	-	152,177
Overseas Equity	332,091	16,585	-	315,506	343,593	17,226	-	326,367
Fixed Interest	76,992	-	-	76,992	76,583	-	-	76,583
Index-linked	32,282	-	-	32,282	32,547	-	-	32,547
Property Unit Trust	12,053	-	-	12,053	15,831	-	-	15,831
Property Fund	75,073	-	-	75,073	69,425	-	-	69,425
Hedge Fund	52,318	-	-	52,318	54,601	-	-	54,601
Private Equity	60,689	-	-	60,689	67,525	-	-	67,525
Infrastructure	-	-	-	-	-	-	-	-
Cash	69,225	69,225	-	-	77,807	77,807	-	-
Other Investment Balances -								
Dividends Due	3,211	3,211	-	-	3,672	3,672	-	-
Total	1,852,775	1,078,075	-	774,700	1,913,273	1,118,217	-	795,056

23. INVESTMENT RISKS

As demonstrated above, the Fund maintains positions indirectly via its investment managers in a variety of financial instruments including bank deposits, quoted equity instruments, fixed interest securities, direct property holdings, unlisted equity products, commodity futures and other derivatives. This exposes the Fund to a variety of financial risks including credit and counterparty risk, liquidity risk, market risk and exchange rate risk.

Procedures for Managing Risk

The principal powers to invest are contained in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and require an Administering Authority to invest any pension fund money that is not needed immediately to make payments from the Pension Fund. These regulations require the Pension Fund to formulate a policy for the investment of its fund money. The Administering Authority's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The Pension Fund annually reviews its Statement of Investment Principles (SIP) and corresponding Funding Strategy Statement (FSS), which set out the Pension Fund's policy on matters such as the type of investments to be held, balance between types of investments, investment restrictions and the way risk is managed.

The Fund continues to review its structure. A key element in this review process is the consideration of risk and for many years now the Fund has pursued a policy of lowering risk by diversifying investments across asset classes, investment regions and fund managers. Furthermore, alternative assets are subject to their own diversification requirements and some examples are given below.

- Private equity - by stage, geography and vintage where funds of funds are not used
- Property - by type, risk profile, geography and vintage (on closed ended funds)
- Hedge funds – multi-strategy and or funds of funds

Manager Risk

The Fund is also well diversified by managers with no single active manager managing more than 25% of Fund assets. On appointment, fund managers are delegated the power to make such purchases and sales as they deem appropriate under the mandate concerned. Each mandate has a benchmark or target to outperform or achieve, usually on the basis of 3-year rolling periods. An update, at least quarterly, is required from each manager and regular meetings are held with managers to discuss their mandates and their performance on them. There are slightly different arrangements for some of the alternative assets. Some private equity and property investment is fund, rather than manager-specific, with specific funds identified by the investment sub group after careful due diligence. These commitments tend to be smaller in nature than main asset class investments but again regular performance reports are received and such investments are reviewed with managers at least once a year.

23. INVESTMENT RISKS (continued)**Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. As noted above almost all the Fund's investments are through pooled vehicles and a number of these are involved in derivative trades of various sorts including futures, swaps and options. Whilst the Fund is not a direct counterparty to such trades and so has no direct credit risk, clearly all derivative transactions incorporate a degree of risk and the value of the pooled vehicle, and hence the Fund's holding, could be impacted negatively by failure of one of the vehicle's counterparties. However, part of the operational due diligence carried out on potential manager appointees concerns itself with the quality of that manager's risk processes around counterparties and seeks to establish assurance that these are such as to minimise exposure to credit risk.

There has been no historical experience of default on the investments held by the Pension Fund.

Within the Fund, the areas of focus in terms of credit risk are bonds and some of the alternative asset categories.

- The Fund's active fixed-interest bond portfolio £117,508k is managed (by Goldman Sachs) on an unconstrained basis and has a significant exposure to credit, emerging market debt and loans. At 31st March 2018, the Fund's exposure to non-investment grade paper was 6.3% of the actively managed fixed income portfolio.
- On private equity the Fund's investments are almost entirely in the equity of the companies concerned. The Fund's private equity investments of £67,525k are managed by Harbourvest in a fund of funds portfolio.

On hedge fund of funds and multi-strategy vehicles, underlying managers have in place a broad range of derivatives. The Fund's exposure to hedge funds through its managers at 31st March 2018 is set out below with their relative exposure to credit risk.

	March 2018	Credit Exposure
	£'000	
Permal	25,704	0.15%
Blackrock	28,897	25.0%

Liquidity Risk

The Pension Fund has its own bank accounts. At its simplest, liquidity risk is the risk that the Fund will not be able to meet its financial obligations when they fall due, especially pension payments to its members. At a strategic level the Administering Authority, together with its consulting actuary, reviews the position of the Fund triennially to ensure that all its obligations can be suitably covered.

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

Ongoing cash flow planning in respect of contributions, benefit payments, investment income and capital calls/distributions is also essential. This is in place with the Fund's position updated regularly.

Specifically on investments, the Fund holds through its managers a mixture of liquid, semi-liquid and illiquid assets. Whilst the Fund's investment managers have substantial discretionary powers regarding their individual portfolios and the management of their cash positions, they hold within their pooled vehicles a large value of very liquid securities, such as equities and bonds quoted on major stock exchanges, which can easily be realised. Traditional equities and bonds now comprise 85.0% of the Fund's value and, whilst there will be some slightly less liquid elements within this figure (emerging market equities and debt for example), the funds investing in these securities offer monthly trading at least – often weekly or fortnightly.

On alternative assets the position is more mixed. Most are subject to their own liquidity terms or, in the case of property, redemption rules. Closed-ended funds such as most private equity vehicles and some property funds are effectively illiquid for the specific period (usually 10 years), although they can be sold on the secondary market, usually at a discount.

The table below analyses the value of the Fund's investments at 31st March 2018 by liquidity profile.

	Amounts at 31st March 2018 £000s	Within 1 month £000s	1-3 months £000s	4-12 months £000s	> 1 Year £000s
Equities					
UK Equities	424,093	424,093	0	0	0
Overseas Equities	477,911	477,911	0	0	0
Pooled Investment Vehicles					
Fixed-Interest Funds	117,508	117,508	0	0	0
UK Equity	152,177	152,177	0	0	0
Overseas Equity	343,593	343,593	0	0	0
Fixed Interest	76,583	76,583	0	0	0
Index-linked	32,547	32,547	0	0	0
Property Unit Trust	15,831	0	0	15,831	0
Property Fund	69,425	0	0	33,035	36,390
Hedge Fund	54,601	0	0	54,601	0
Private Equity	67,525	0	0	0	67,525
Infrastructure	0	0	0	0	0
Deposits with banks and other financial institutions	77,807	77,807	0	0	0
Other Investment Balances - Dividends Due	3,672	3,672	0	0	0
Total	1,913,273	1,706,891	0	103,467	103,915

23. INVESTMENT RISKS (continued)

It should be noted that different quoted investments are subject to different settlement rules but all payments/receipts are usually due within 7 days of the transaction (buy/sell) date. Because the Fund uses some pooled vehicles for quoted investments these are often subject to daily, weekly, 2-weekly or monthly trading dates. All such investments have been designated "within 1 month" for the purposes of liquidity analysis. Open-ended property funds are subject to redemption rules set by their management boards. Many have quarterly redemptions but these can be held back in difficult markets so as not to force sales and disadvantage continuing investors. For liquidity analysis purposes, a conservative approach has been applied and all such investments have been designated "within 4-12 months".

Closed-ended funds have been designated illiquid for the purposes of liquidity analysis. However, these closed-ended vehicles have a very different cash flow pattern to traditional investments since the monies committed are only drawn down as the underlying investments are made (usually over a period of 5 years) and distributions are returned as soon as underlying investments are exited (often as early as year 4). In terms of cash flow, therefore, the net cash flow for such a vehicle usually only reaches a maximum of about 60-70% of the amount committed and cumulative distributions usually exceed cumulative draw downs well before the end of the specified period, as these vehicles regularly return 1½ to 2½ times the money invested. At the same time, it has been the Fund's practice to invest monies on a regular annual basis so the vintage year of active vehicles ranges from 2000 to 2013.

This means that, whilst all these monies have been designated closed-ended and thereby illiquid on the basis of their usual "10-year life", many are closer to maturity than implied by this broad designation. As can be seen from the table, even using the conservative basis outlined above, around 89% of the portfolio is realisable within 1 month and 95% is realisable within 12 months.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial institution will fluctuate because of changes in market price. The Fund is exposed to the risk of financial loss from a change in the value of its investments and the consequential danger that its assets will fail to deliver returns in line with the anticipated returns underpinning the valuation of its liabilities over the long term.

Market risk is comprised of two elements :

- The risks associated with volatility in the performance of the asset class itself (beta);
- The risks associated with the ability of managers, where allowed, to move away from index weights and to generate alpha, thereby offsetting beta risks by exceeding market performance.

The table on the following page sets out an analysis of the Fund's market risk positions at 31 March 2018 by showing the percentage invested in each asset class and through each manager within each main asset class, the index used as a benchmark and the target set for managers against this benchmark.

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23. INVESTMENT RISKS (continued)

Asset Class	Asset Allocation	Fund Manager		Benchmark	Performance target
		Passive	Active		
UK Equities	34% +/- 5%	14% L&G/Blackrock	20% Schroders	FTSE allshare	+3% p.a. over rolling 3 year
Overseas Equities	34% +/- 5%	13% L&G/Blackrock	21% JP Morgan & Aberdeen Aberdeen	MSCI World all share (ex UK) MSCI Frontier Markets Index	+3% p.a. over rolling 3year +1% p.a. over rolling 3year
Global Fixed Interest	15% +/- 5%	6% L&G/Blackrock	9% Goldman Sachs	Libor	LIBOR +3%
Property	5% +/- 5%	-	5% Schroders, Partners & Invesco	IPD UK Pooled Property Fund Index	+ 1% p.a. over rolling 3 year, 8% absolute return
Hedge Funds	5% +/- 5%	-	5% Blackrock & EaTrustPermal (formerly Fauchier)	LIBOR	+4%
Private Equity	3% +/- 5%	-	3% Harbourvest	FTSE allshare	+3% p.a. over 3 year rolling
Infrastructure	2% +/- 5%	-	2% First State	10% Absolute	10% Absolute
Cash	2% +/- 5%	-	2% In house and cash flows of fund managers	7day LIBID	-
TOTAL	100%	33%	67%		

The risks associated with volatility in market values are managed mainly through a policy of broad asset diversification. The Fund sets restrictions on the type of investment it can hold through investment limits, in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The Fund also adopts a specific strategic benchmark (details can be found in the Fund's ISS summarised above) and the weightings of the various asset classes within the benchmark form the basis for asset allocation within the Fund. Under normal conditions there is quarterly rebalancing to this strategic benchmark within fixed tolerances. This allocation, determined through the Fund's asset allocation, is designed to diversify and minimise risk through a broad spread of investments across both the main and alternative asset classes and geographic regions within each asset class.

Market risk is also managed through manager diversification – constructing a diversified portfolio across multiple investment managers. On a daily basis, managers will manage risk in line with the benchmarks, targets and risk parameters set for the mandate, as well as their own policies and processes. The Fund itself monitors managers on a regular basis (at least quarterly) on all these aspects.

Due to volatility in the equity markets, there was an imbalance of 4.0% over allocation to overseas equities as at 31st March 2018.

The investment strategy was revised in March 2018. Rebalancing in line with the parameters will be implemented in line with the transition timetable of the Wales Pension Partnership (WPP) transition timetable.

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

Price Risk

Price Risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short is unlimited.

Following analysis of historical data and expected investment return movement during the financial year, and in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible. Had the market price of the fund investments increased/decreased in line with the potential market movements, the change in the net assets available to pay benefits in the market price as at 31 March 2018 would have been as follows:

Price Risk

Asset Type	Value (£'000)	% Change	Value on Increase	Value on Decrease
UK Equities	576,270	9.3846%	630,351	522,189
Overseas Equities	821,504	9.8587%	902,494	740,514
Total Bonds & Index-Linked	226,638	6.7384%	241,910	211,366
Alternatives	122,126	3.6489%	126,582	117,670
Cash	77,807	0.6851%	78,340	77,274
Property	85,256	2.8684%	87,701	82,811
Other Investment Balances	3,672	0.0000%	3,672	3,672
Total Assets*	1,913,273	6.7433%	2,042,291	1,784,255

**The % change for Total Assets includes the impact of correlation across asset classes*

and as at 31st March 2017:

Price Risk

Asset Type	Value (£'000)	% Change	Value on Increase	Value on Decrease
UK Equities	563,802	9.10%	615,108	512,496
Overseas Equities	788,802	9.70%	865,316	712,288
Total Bonds & Index-Linked	227,602	6.00%	241,258	213,946
Cash	69,225	4.50%	72,340	66,110
Property	87,126	1.20%	88,172	86,080
Alternatives	113,007	3.20%	116,623	109,391
Other Investment Balances	3,211	0.00%	3,211	3,211
Total Assets*	1,852,775	6.50%	1,973,205	1,732,344

**The % change for Total Assets includes the impact of correlation across asset classes*

23. INVESTMENT RISKS (continued)

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (£UK). The fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

In consultation with the fund's investment advisors, the council has determined that the following movements in currencies are reasonably possible. The following represents a sensitivity analysis associated with foreign exchange movements as at 31 March 2018:

Currency Risk (by currency)

Currency	Value (£'000)	% Change	Value on Increase	Value on Decrease
Australian Dollar	12,754	11.9590%	14,279	11,229
Brazilian Real	6,448	19.5325%	7,707	5,189
Canadian Dollar	14,915	10.1648%	16,431	13,399
Danish Krone	8,519	9.0295%	9,288	7,750
EURO	98,970	9.0253%	107,902	90,038
Hong Kong Dollar	10,385	9.7118%	11,394	9,376
Indian Rupee	7,010	9.9899%	7,710	6,310
Indonesian Rupiah	2,721	11.7331%	3,040	2,402
Israeli Shekel	2,381	8.6439%	2,587	2,175
Japanese Yen	76,578	15.0243%	88,083	65,073
Malaysian Ringgit	3,012	12.8014%	3,398	2,626
Mexican Peso	2,557	11.2462%	2,845	2,269
Norwegian Krone	3,135	10.9104%	3,477	2,793
Chinese Renminbi Yuan	13,249	8.7271%	14,405	12,093
Philippine Peso	540	9.6360%	591	488
Russian Rouble	368	17.1503%	431	305
Singapore Dollar	7,038	9.2831%	7,691	6,385
South African Rand	2,149	18.0691%	2,537	1,761
South Korean Won	10,096	11.7641%	11,284	8,908
Swedish Krona	14,153	9.6884%	15,524	12,782
Swiss Franc	14,336	10.3255%	15,816	12,856
Taiwan Dollar	5,611	9.2155%	6,128	5,094
Thai Baht	4,942	10.0781%	5,440	4,444
Turkish Lira	1,029	15.3513%	1,187	871
US Dollar	293,215	9.7245%	321,729	264,701
North America Basket	149,143	9.5450%	163,379	134,907
Europe Basket	66,567	6.5784%	70,946	62,188
Asia Pacific ex Japan Basket	29,622	9.1550%	32,334	26,910
Emerging Basket	63,976	9.4406%	70,016	57,936
Total Currency*	925,419	8.9006%	1,007,787	843,051

*The % change for Total Currency includes the impact of correlation across the underlying currencies

CITY & COUNTY OF SWANSEA PENSION FUND

23. INVESTMENT RISKS (continued)

and as at 31 March 2017:

Currency Risk (by currency)

Currency	Value (£'000)	% Change	Value on Increase	Value on Decrease
Australian Dollar	7,178	11.20%	7,982	6,374
Brazilian Real	5,592	20.90%	6,761	4,423
Canadian Dollar	5,607	9.10%	6,119	5,095
Danish Krone	2,928	9.00%	3,191	2,665
EURO	100,483	9.00%	109,118	91,184
Hong Kong Dollar	12,098	8.90%	13,180	11,016
Indian Rupee	2,602	9.60%	2,852	2,352
Indonesian Rupiah	2,134	12.30%	2,396	1,872
Israeli Shekel	2,364	8.40%	2,563	2,165
Japanese Yen	75,520	14.90%	86,758	64,282
Mexican Peso	3,165	11.40%	3,527	2,803
Norwegian Krone	1,138	10.60%	1,259	1,017
Chinese Renminbi Yuan	15,645	8.50%	16,972	14,318
Russian Rouble	4,366	23.80%	5,406	3,326
Singapore Dollar	3,692	8.80%	4,017	3,367
South African Rand	3,556	16.50%	4,144	2,968
South Korean Won	12,650	10.40%	13,970	11,330
Swedish Krona	5,828	8.80%	6,340	5,316
Swiss Franc	25,258	11.90%	28,272	22,244
Taiwan Dollar	7,167	8.60%	7,782	6,552
Thai Baht	1,891	9.70%	2,074	1,708
Turkish Lira	1,203	14.60%	1,378	1,028
US Dollar	286,399	9.00%	309,938	258,866
North America Basket	146,379	8.70%	159,165	133,593
Europe ex UK Basket	64,782	8.70%	70,445	59,119
Asia Pacific ex Japan Basket	29,736	8.60%	32,283	27,189
Emerging Basket	59,041	9.20%	64,463	53,619
Total Currency*	888,402	8.40%	963,028	813,776

*The % change for Total Currency includes the impact of correlation across the underlying currencies

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Actuary, as part of their triennial valuation and dictated by the Funding Strategy Statement, will only anticipate long-term return on a relatively prudent basis to reduce risk of under-performing. Progress is analysed at three yearly valuations for all employers.

24. Events After the Balance Sheet Date

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

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

There are no known events that would have a material impact on these accounts.

25. Further Information

Further information about the fund can be found in Appendices 2 to 4. Information can also be obtained from the Chief Treasury & Technical Officer, Civic Centre, Oystermouth Road, Swansea SA1 3SN or on www.swanseapensionfund.org.uk.

26. Financial Position

The accounts outlined within the statement represent the financial position of the City and County of Swansea Pension Fund at 31st March 2018.

CITY & COUNTY OF SWANSEA PENSION FUND

Appendix 1

SCHEDULE OF EMPLOYING BODIES AND CONTRIBUTION RATES FOR THE PERIOD 1ST APRIL 2017 TO 31ST MARCH 2018

Contributors	Pensioners	Deferred Benefits	Employer Contribution Rate (% of Pensionable Pay) plus additional annual monetary amount
Administering Authority	Number @ 31/03/18	Number @ 31/03/18	Number @ 31/03/18
City & County of Swansea	11,997	5,584	5,343
Scheduled Bodies			
Neath Port Talbot County Borough	5,540	3,767	4,426
Briton Ferry Town Council	1	1	1
Cilybebyll Community Council	7	1	0
Clydach Community Council	0	0	1
Coedffranc Community Council	9	3	1
Gower College Swansea	564	257	417
Llanrhidian Higher Community Council	1	0	0
Lliw Valley BC	0	225	20
Margam Joint Crematorium Committee	8	13	5
NPTC Group	528	232	414
Neath Port Talbot Waste Management	0	1	0
Neath Town Council	12	17	6
Pelenna Community Council	2	2	3
Pontardawe Town Council	5	1	0
Swansea Bay Port Health Authority	2	11	1
Swansea City Waste Disposal Company	0	15	3
University of Wales Trinity St Davids	151	149	225
West Glamorgan County Council	0	2,092	229
West Glamorgan Magistrates Courts	0	37	15
West Glamorgan Valuation Panel	0	4	0
Ystalyfera Community Council	1	0	0
Admitted Bodies			
BABTIE	0	3	13
Celtic Community Leisure	215	164	36
Colin Laver Heating Limited	0	2	2
Swansea Bay Racial Equality Council	1	1	2
The Careers Business	0	6	9
Wales National Pool	64	3	66
West Wales Arts Association	0	2	0
Capgemini	0	1	4
Tai Tarian	403	86	74
Phoenix Trust	0	3	1
Pobl Group	155	80	75
Rathbone CCS	1	0	2
Rathbone Gower College	4	0	0
Total	19,671	12,763	11,394

Legislative Changes in the Local Government Pension Scheme (LGPS) during 2017/18

August 2017 - Ministry of Housing, Communities and Local Government (MHCLG) have confirmed that they have sought legal advice and the current stance is, that there is no need for LGPS (Benefits, Membership and Contributions) Regulations 2007 to be amended in light of the Brewster case.

September 2017 - MHCLG are currently reviewing the Draft LGPS (Amendment) Regulations 2016; there is no indication as to when the consultation will be published.

Other Impacting Legislation

November 2017 - The Finance (No.2) Act 2017 received royal assent and the passage of the Act has two main impacts (a) A reduction of the money purchase annual allowance from £10,000 to £4,000. (b) Changes to the Income Tax (Earnings and Pensions) Act 2003 to mean that a pensions advice allowance payment of up to £500 under the Registered Pensions Schemes (Authorised Payments) (Amendments) Regulations 2009 is exempt from income tax.

November 2017 - Further to the introduction of The Small Business, Enterprise and Employment Act 2015, which enables the £95k exit payment cap to be introduced; there is no indication as to when the consultation will be published.

November 2017 - Local Government Association (LGA) published a legal opinion from Squire Patton Boggs on the implications of the European Unions General Data Protection Regulation (GDPR) for the LGPS Adminstrating Authorities when it comes into effect in May 2018.

February 2018 - The Occupational Pension Schemes (Employer Debt and Miscellaneous Amendments) Regulations 2018 - the Government published its response to the consultation of the draft regulations, which are due to come into effect on the 6th April 2018. The regulation will introduce a new option that will enable employers in multi-employer pension schemes to defer the requirement to pay an employer debt on ceasing to employ an active member. The deferred debt arrangement will be subject to a condition that the employer retains all their previous responsibilities to the scheme.

February 2018 - The Scheme Advisory Board (SAB) agreed at its meeting of the 26th February 2018 to amend the Code of Transparency (7A) to include provision for alternative investment managers signing up on the basis that cost data substantially similar in scope and detail to that covered by existing templates is submitted to LGPS clients. Under this provision, investment managers must adopt and make use of relevant Code templates as they become available.

Wales Pension Partnership

In July 2015 the Chancellor announced the Governments' intention to work with Local Government Pension Scheme administering authorities to ensure that they pool investments to significantly reduce costs while maintaining overall investment performance.

The Wales Pension Partnership (WPP) comprises the 8 LGPS funds in Wales, namely Cardiff & Vale of Glamorgan Pension Fund, City & County of Swansea Pension Fund, Clwyd Pension Fund, Dyfed Pension Fund, Greater Gwent Pension Fund, Gwynedd Pension Fund, Powys Pension Fund and RCT Pension Fund.

The Chancellor has announced that the pools should take the form of up to six British Wealth Funds, each with assets of at least £25bn, which are able to invest in infrastructure and drive local growth.

The submission in respect of the 8 welsh pension funds to create a Wales Investment Pool was approved by Pension Fund Committee on the 4th July 2016.

The Pool will not be a merger of the 8 funds. Each fund will retain its distinct identity and the administering authorities will remain responsible for complying with the LGPS regulations and pension legislation in respect of their members. Annual Statement of Accounts and triennial Actuarial valuations will be prepared for each individual pension fund and each fund will determine its own funding strategy. The Pool will have limited remit and its objectives, as set out in the submission document, will be :

- To provide pooling arrangements which will allow individual funds to implement their own investment strategies
- To achieve material cost savings for participating funds while improving or maintaining investment performance fees.
- To put in place robust governance arrangements to oversee the Pool's activities.
- To work closely with other pools in order to explore the benefits that all stakeholders in Wales might obtain from wider pooling solutions or potential direct investments.

The Wales Investment Pool proposal includes the establishment of a Joint Governance Committee comprising elected members from each administering authority, supported by an Officer Working Group. It is also proposed to appoint a Financial Conduct Authority (FCA) regulated Operator to supply the necessary infrastructure for establishing a pooling vehicle and to manage the Pool on behalf of the 8 funds.

Following extensive work by the Authorities, a legally binding Inter-Authority Agreement has now been signed by all 8 funds.

Following an extensive public procurement exercise, Link Asset Services with investment advisory services provided by Russell Investments were appointed in January 2018. Transition of the first Wales Pension Partnership assets is expected in Q4 2018.

Investment Fund Management

The investment of the Fund is the responsibility of the Pension Fund Committee. The Committee as at 31st March 2018 comprised of :

- 7 Council Members (one member from Neath Port Talbot CBC representing other scheme members) advised by:
- Section 151 Officer
- Chief Treasury & Technical Officer
- 2 Independent Advisers.
- Investment Consultancy Service

The Committee, after taking account of the views of the independent advisers and appointed actuary to the Fund, is responsible for determining broad investment strategy and policy, with appointed professional fund managers undertaking the operational management of the assets.

The fund has implemented a fully diversified investment approach with a view to reducing the volatility of investment returns, whilst maintaining above benchmark growth. The fund employs the services of specialist managers to outperform in each asset class invested in.

The investment managers currently are:

- Global Equities - JP Morgan Asset Management, Blackrock and Aberdeen Asset Management
- UK Equities - Schroders Investment Management & Legal & General
- Global Balanced Index Tracking - Blackrock
- Global Bonds - Goldman Sachs Asset Management and Legal & General
- Fund of Hedge Funds - BlackRock and Pernal
- Fund of Private Equity Funds - Harbourvest
- European Property Fund - Invesco
- Fund of Property Funds - Partners Group and Schroders Investment Management
- Fund of Infrastructure Funds - First State Investments (UK) Ltd

Other Fund Documents

The City & County of Swansea Pension Fund is required by regulation to formulate a number of regulatory documents outlining its policy. Copies of the :

- Investment Strategy Statement
- Governance Statement
- Funding Strategy Statement
- Communication Policy

are available on request from the City & County of Swansea Pension Fund website
<http://www.swanseapensionfund.org.uk/>



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Audit of Financial Statements Report – **City and County of Swansea Pension Fund**

Audit year: 2017-18

Date issued: September 2018

Document reference: 775A2018-19

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

The team who delivered the work comprised Anthony Veale, Geraint Norman, David Williams, Andrea Williams, Aneesa Ali and George Thomas.

Contents

The Auditor General intends to issue an unqualified audit report on the City and County of Swansea Pension Fund's 2017-18 financial statements, however there are some issues to report to you prior to their approval.

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Summary report

Introduction

- 1 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of City and County of Swansea Pension Fund (the Pension Fund) at 31 March 2018 and its Fund Account for the year then ended.
- 2 We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 3 The gross assets controlled by the Pension Fund amount to £1.9 billion. The quantitative levels at which we judge such misstatements to be material for the Pension Fund is £19.1 million. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.
- 4 International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
- 5 This report sets out for consideration the matters arising from the audit of the financial statements of the Pension Fund, for 2017-18, that require reporting under ISA 260. A separate report has been issued covering the City and County of Swansea and the City and County of Swansea Group.

Status of the audit

- 6 We received the draft financial statements for the year ended 31 March 2018 on 25 May 2018, prior to the agreed deadline of 30 June 2018, and we have now substantially completed our audit work. The preparation of the draft financial statements within this timescale is a considerable achievement.
- 7 We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. We have already discussed these issues with the Chief Finance Officer (S151 Officer).

Proposed audit report

- 8 It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#). The proposed audit report is set out in [Appendix 2](#).

Significant issues arising from the audit

Uncorrected misstatements

- 9 There are no non-trivial misstatements identified in the financial statements, which remain uncorrected.

Corrected misstatements

- 10 There are misstatements which have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#). These amendments increased the value of investments in the Net Assets Statement by £2.5 million. There were also a number of other presentational amendments made to the draft financial statements arising from the audit.

Other significant issues arising from the audit

- 11 In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you.
- **We have no concerns about the qualitative aspects of your accounting practices and financial reporting.** We found the information provided to be relevant, reliable, comparable, material and easy to understand. We concluded that accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear.
 - **We did not encounter any significant difficulties during the audit.** We received information in a timely and helpful manner and were not restricted in our work.
 - **There were no significant matters discussed and corresponded upon with management which we need to report to you.**
 - **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**
 - **We did not identify any material weaknesses in your internal controls.** However, as reported last year, we did identify that controls over the year end reconciliations between pension and payroll systems can be further improved. Further details are set out in [Appendix 4](#).
 - **There are not any other matters specifically required by auditing standards to be communicated to those charged with governance.**

Recommendations arising from our 2017-18 financial audit work

- 12 The recommendations arising from our financial audit work are set out in [Appendix 4](#). Management has responded to them and we will follow up progress on them during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

Independence and objectivity

- 13 As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 14 We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the Pension Fund that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation

Auditor General for Wales
c/o Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Representations regarding the 2017-18 financial statements

This letter is provided in connection with your audit of the financial statements of City and County of Swansea Pension Fund for the year ended 31 March 2018 for the purpose of expressing an opinion on their truth and fairness.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18 based on International Financial Reporting Standards (IFRSs); in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects the Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no material misstatements which remain uncorrected.

Representations by the City and County of Swansea

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Members of the City and County of Swansea on 25 October 2018.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Chief Finance Officer (S151 Officer)

Date:

Signed by:

Chair of the Council

Date:

Appendix 2

The independent auditor's report of the Auditor General for Wales to the members of City and County of Swansea as administering authority for City and County of Swansea Pension Fund

Report on the audit of the financial statements

Opinion

I have audited the financial statements of City and County of Swansea Pension Fund (the Pension Fund) for the year ended 31 March 2018 under the Public Audit (Wales) Act 2004. The Pension Fund's financial statements comprise the fund account, the net assets statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2018, and of the amount and disposition at that date of its assets and liabilities;
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the annual report. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit. The information contained in the Introduction and Appendices 1 - 5 of the financial statements for the financial year for which the financial statements are prepared is consistent with the financial statements and the annual report has been prepared in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the annual report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements, the responsible financial officer is responsible for the preparation of the financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsible financial officer is responsible for assessing the pension fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Anthony Barrett
For and on behalf of the Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

6 November 2018

Appendix 3

Summary of corrections made to the draft financial statements

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Value of correction	Nature of correction
+£2,474,000	The HarbourVest private equity fund was undervalued by £2,474,000 in the draft financial statements. Due to HarbourVest's 90-day reporting period, the Council used an estimated figure provided by HarbourVest. This amendment increased the value of investments in the Net Assets Statement by £2,474,000.
-£5,000,000	Capital and contractual commitments disclosed in Note 17 of the draft financial statements were overstated by £5,000,000. This was a result of an error in converting monetary amounts from Euros to Sterling. This amendment did not impact on the Net Assets Statement as this is a disclosure note.
Various – membership statistics	Membership statistics in Note 21 of the draft financial statements were increased to take account of new information received post 31 March 2018.
Various – disclosures	The related parties note was updated to improve the transparency of the disclosures in relation to key management personnel. This is a requirement of CIPFA's Code. We also agreed some improvements to the Accounting Policy disclosure notes.
Various – other	Various other minor presentational amendments were made to the draft financial statements.

Appendix 4

Recommendations arising from our 2017-18 financial audit work

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report:

Matter arising 1 – Membership Numbers	
Findings	<p>As reported in previous years, there was a net difference of 218 member numbers between the closing balance 2016-17 as reported in last years audited financial statements and the opening balance for 2017/18 as detailed by the membership numbers report produced from the pensions system (Note 21).</p> <p>Information is received from admitted and scheduled bodies relating to the previous financial year throughout 2017-18. The membership report detailing the 2017-18 opening balances was generated on 8 June 2018. The Pension database is a 'live' system, opening and closing balances are updated as information is received from external bodies by the administration team.</p> <p>Consequently, timing differences arise in relation to opening and closing balances dependent upon when membership number reports are generated. Throughout 2017-18, admitted and scheduled bodies were encouraged to provide more up to date information on pensioner numbers to ensure that membership numbers recorded on the pension database were accurate.</p>
Priority	High
Recommendation	The Council should continue to remind all external bodies of the importance of providing accurate and timely information to the administration team to ensure the accuracy of the figures within the Pension Fund database.
Benefits of implementing the recommendation	The Council should remind all external bodies of the importance of providing accurate and timely information to the administration team to ensure the accuracy of the figures within the Pension Fund database.
Accepted in full by management	It already does.
Management response	Management does and shall continue to remind employers of the importance of providing timely and accurate information.
Implementation date	Sep 2018

Matter arising 2 - Reconciliation of the ALTAIR Database	
Findings	As reported in previous years, there have been delays in completing the year end reconciliation of the ALTAIR (pensions) database to the payroll systems of some admitted bodies. The reconciliation work has been delayed again for the same reasons as previously reported, primarily a slow response rate from admitted bodies. At the time we completed the audit fieldwork an employer return was still outstanding from Ystalyfera CC.
Priority	Medium.
Recommendation	The Council must complete the year-end reconciliation of the ALTAIR database to the payroll systems as soon as possible. Differences need to be resolved with admitted bodies.
Benefits of implementing the recommendation	Implementation of the recommendation would resolve any differences between the Council's records and those held by admitted bodies. This would improve the quality of the information held within the database.
Accepted in full by management	Agreed.
Management response	Management undertakes to complete year end reconciliations with all employers in a timely manner, however co-operation and input from said employers is required. It should be recognised that the outstanding employer above is a newly admitted body and has one member, which should not be material for audit purposes.
Implementation date	Sep 2018

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Report of the Cabinet Member for Delivery

Council - 25 October 2018

Outcome of Swansea Local Development Plan (LDP) Examination and Requirement for Public Consultation on Proposed Amendments to the Plan

Purpose:	To consider the main issues that have emerged from the Examination of the Swansea Local Development Plan (LDP), the need for the Council to recommend 'Matters Arising Changes' (MACs) to the Deposit Plan, and to authorise a public consultation exercise on the MACs and associated documents.
Policy Framework:	Planning and Compulsory Purchase Act 2004; The Environmental Assessment of Plans and Programmes (Wales) Regulations 2004; Town and Country Planning (Local Development Plan) (Wales) Regulations 2005; Local Development Plans Wales Guidance (2005); Local Development Plan Manual (2015); The Habitats Regulations (Natural Habitats & Conservation) (Amendment) (England & Wales Regulations 2017); Equality Act 2010; Planning Policy Wales (as amended) and related Ministerial Interim Planning Policy Statements and Technical Advice Notes
Consultation:	Legal, Finance, Access to Services
Recommendation(s):	<p>It is recommended that Council</p> <p>i) Approves the Matters Arising Changes to the Deposit LDP, as referenced in Appendix A of this report, for public consultation;</p> <p>ii) Approves the updated Habitats Regulations Assessment (HRA) and Sustainability Appraisal (SA), as referenced in Section 5 of this report, for public consultation</p>
Report Author:	Tom Evans
Finance Officer:	Aimee Dyer
Legal Officer:	Jonathan Wills
Access to Services Officer:	Rhian Millar

1.0 Background

- 1.1 Every local planning authority in Wales is statutorily required to produce a Local Development Plan (LDP), which must be prepared in accordance with requirements and guidelines laid down by the Welsh Government. The Swansea LDP commenced production in 2010 and upon adoption will replace the existing Unitary Development Plan.
- 1.2 The LDP will be the primary strategy and policy document against which the Council will make decisions in relation to development proposals up to 2025. The Plan promotes a strong 'Place making' agenda and presents a positive approach to managing the inevitable future growth that will occur across Swansea. The policies and proposals within the LDP address the County's need for new homes, jobs, infrastructure and community facilities to support economic growth and raise standards of living. Policies promoting development are set out alongside those ensuring future proposals respect and promote the County's cultural heritage, important landscapes and sensitive environments. Planning for growth commensurate with the aspirations of a City Region inevitably involves difficult decisions about releasing greenfield land for development, however the LDP provides the opportunity to ensure that such development is of a quality that will ensure the places ultimately delivered provide a proud legacy for future generations.
- 1.3 At Council on 27th July 2017 Members agreed to approve the submission of the Deposit version of the LDP, and its supporting evidence, to the Welsh Government and Planning Inspectorate for independent Examination. Subsequently, the Ministers of the Welsh Government appointed Inspectors to conduct the Examination of the soundness of the LDP. The Examination commenced with a Pre-Hearing Meeting on the 13th December 2017 and a series of Hearing Sessions subsequently took place over a 7 month period commencing on 6th February 2018, with the final hearing held on the 11th September 2018.
- 1.4 Over the course of the Examination, and as a result of the matters arising during the Hearing Sessions, a number of Action Points and requests for information were issued by the Inspectors for the Council to respond to as necessary. In order to address these points, a need for 'Matters Arising Changes' (MACs) to the Deposit Plan has arisen, which collectively will ensure the Plan is modified in a form that can be found sound. The purpose of the MACs are to improve the clarity and accuracy of the Plan having regard to the latest available evidence, and to respond to matters raised during the hearings where relevant. The full schedule of MACs is referenced at Appendix A of this report. An extract from the schedule relating to mapping changes is provided in Appendix B.

2.0 Key Issues and Changes Arising from Examination

- 2.1 The MACs that are proposed do not fundamentally alter the focus of the Plan strategy, and the aims and objectives of the Plan policies remain consistent with the Deposit version. They include a large number of factual updates and adjustments to the Plan in order to reflect new evidence that has emerged during the Examination process. The key issues and most significant changes are identified in the paragraphs below:

Policies and Proposals

- 2.2 Following a comprehensive updated assessment in 2017 of the evidence base relating to Swansea's projected level of economic and population growth, the total housing provision within the Plan is now set at **17,645 homes to support the potential creation of 13,600 additional jobs over the Plan period**. The total provision within the plan includes site allocations, commitments (planning permissions already awarded), and future windfall sites. The final schedule of housing sites and Strategic Development Areas for the LDP is set out at Appendix C of this report. The level of housing provision in the Plan incorporates a **total flexibility allowance of 13%** in excess of the base level requirement, which is required to account for delays and/or unforeseen issues that may affect delivery of certain sites [**LDP Policies PS1-4, Hearing Sessions 2, 3, 8, 9 and 15**].
- 2.3 The LDP proposes a number of Strategic Development Areas (SDAs), which are a fundamental part of the Plan's strategy. It sets out comprehensive, site specific policies that highlight key development principles and placemaking objectives for these major sites. Proposals that come forward will be required to adhere to these principles as appropriate, in the interests of delivering the numbers of homes, employment opportunities, community facilities, greenspaces and infrastructure required to deliver high quality sustainable development. **Each SDA policy has been refined having regard to the requirements discussed with the Inspectors and developers**, which will ensure these key sites are brought forward with the right mix in appropriate phases, subject to site constraints [**LDP Policies SDA-SDL Hearing Sessions 5-7**].
- 2.4 Appendix 3 of the Plan **now provides further details of key infrastructure requirements identified for each allocated site**, as well as site informatives highlighting any site specific issues, constraints and assessments that will inform future considerations of development impact. Where impacts of development have already been established, the Appendix sets out the required mitigation measures to maintain or enhance infrastructure and assets. **The Plan is now supported by an Infrastructure Delivery Plan** which, whilst not forming part of the LDP, provides further detail of the phasing, funding and delivery of infrastructure required for each allocated site. [**LDP Appendix 3 and Infrastructure Delivery Plan, Hearing Sessions 2, 3 and 5-8**].
- 2.5 The Plan allocates 6 'exception' sites for housing in rural and semi-rural locations to deliver exceptionally high numbers of affordable housing in such areas. The open market housing delivered on such sites will also be restricted to those persons that meet the criteria for accommodating local needs. The objectives of the policy are unchanged, as are the sites identified, however the sites have been required to be brought into the settlement boundary, and the **criteria and supporting text for delivering exceptional local needs sites have been refined** to ensure there is full alignment with national guidance in this regard and to clarify how the policy will be implemented [**LDP Policy H5, Hearing Sessions 4, 8 and 15**].
- 2.6 Planning permission and lawful development certificates have been issued for new and extended sites for Gypsy Travellers at Pant y Brawd Road, and to confirm the lawfulness of the use of land at Railway Terrace Gorseinon by

Traveller Showpeople. There is evidently now sufficient land available within the settlement with a relevant lawful use to provide for the full identified needs for additional Gypsy Traveller and Travelling Showpeople pitches up to 2025. The extant planning permissions and certificates issued by the Planning Authority overcome any requirement for an additional allocation of land for further pitches for Gypsies and Travellers within the LDP to meet identified need for the Plan period. As a result, **Deposit Policy H6 relating to allocated Gypsy Traveller sites has become redundant and can be deleted from the Plan**, with a corresponding modification to the text to Policy H7 necessary to confirm that the identified needs for Gypsy and Traveller accommodation within the Plan period will be provided for by implementing pitches on available land with a relevant lawful planning use [**LDP Policy H6-7, Hearing Sessions 13 and 18**].

- 2.7 During the Examination, the Ministers of the Welsh Government (through the Cabinet Secretary for Energy, Planning and Rural Affairs) wrote to all Local Authorities in Wales in February 2018 to emphasise that Councils need to put in place robust local evidenced based policies in their LDP against which planning applications for HMOs can be assessed, and that these policies must not delegate the criteria for decisions on planning applications to SPG. In response to this, and the concerns of the Inspectors, the **Deposit LDP policy on HMOs has been amended to include a more prescriptive definition of what constitutes ‘harmful concentration/intensification’, and define the actual HMO threshold limits that will apply**. The amended policy sets out a threshold cap of HMOs not exceeding 25% of all residential properties within the existing high concentration areas (which is designated a ‘Management Zone’), and for a 10% threshold to be imposed across all other areas where existing concentrations are generally far lower. The policy also defines other criteria that will apply to the consideration of HMO proposals to limit unacceptable expansion [**LDP Policy H6-7, Hearing Sessions 13 and 19**].
- 2.8 Following the submission of evidence and further discussions at hearings, the Inspectors concluded that the evidence did not justify the imposition of a Green Belt designation at Garngoch and Lower Afon Llan Valley, primarily as the permanence of such a designation could not be justified over the long term. On this basis, **it is necessary to remove the Green Belt designation that was proposed in the Deposit and replace it with a less permanent Green Wedge designation, that will serve the same purposes as a Green Belt over the lifetime of the Plan**. For consistency with other Green Wedge designations within the Plan, the boundaries of the newly proposed Green Wedge differ slightly from those of the Green Belt, as shown in Appendix B of this Report [**LDP Policy ER3, Hearing Session 10 and 18**].
- 2.9 The Inspectors have accepted the Council’s view that the landscape character of the area at Garngoch and Lower Afon Llan Valley, previously proposed in the Deposit Plan as Green Belt, is of sufficiently high quality to potentially warrant designation as a Special Landscape Area (SLA). Such a designation would provide extra protection for the landscape of that area, the character of which is demonstrated to be particularly effective at separating the surrounding settlements. The **newly designated SLA, referred to as Garngoch and Lower Afon Llan Valley SLA, will work in combination with a Green Wedge designation to maintain the openness of the land and protect the existing valuable landscape character** to effectively safeguard the separate

identities of the surrounding settlements [LDP Policy ER 5, Hearing Sessions 10 and 18].

- 2.10 The Welsh Government has set specific targets for renewable energy provision in order to fulfil aspirations for climate change mitigation and energy security. With the purpose of meeting these targets, National Planning Policy and Guidance requires 'Local Areas of Search' to be mapped and for LDPs to accept the principle of a potential significant change in landscape character from wind turbine development within designated Strategic Search Areas. The Deposit LDP had proposed to indicate the Local Areas of Search on a 'Constraints Map' however the Examination process has highlighted the need for a refined, condensed version of these search areas to be shown on the LDP Proposals Map where relevant. As a result of further digital analysis by the Council, which overlaid an agreed set of assumptions and constraints layers, **the Proposals Map does not identify any local search areas for wind energy schemes, and designates eleven potential solar energy local search areas, generally to the north of the M4** (see Appendix B of this Report). Corresponding amendments have been made to the relevant LDP policy on Renewable Energy and its reasoned justification. It should be noted that a Local Search Area designation is the technical output of a Welsh Government produced toolkit methodology and it does not indicate a presumption in favour of approving an application for such a use in those areas identified [LDP Policy EU1, Hearing Session 14 and 19].
- 2.11 The Deposit LDP included a commitment against supporting any applications for the unconventional exploration or extraction of gas in the County during the Plan period, including test drilling. This was inserted in the Plan to reflect the Council's decision to adopt a Notice of Motion on the 10th March 2016. The inspectors and Welsh Government have highlighted that this does not comply with current national policy (PPW, Edition 9) and therefore it is required that **part of the Mineral Resources policy relating to unconventional extraction processes be amended to ensure compliance with current national policy** and to also maintain consistency with the position in the adjoining Neath Port Talbot LDP. Notwithstanding this change necessary for soundness, the Plan highlights in any event that proposals will be considered having regard to prevailing national policy and it is quite possible that the Welsh Government may change its position during the lifetime of the Plan to preclude any unconventional extraction across Wales, which would clearly then apply to development in Swansea [LDP Policy RP11, Hearing Session 14].

Proposals Map and Diagrams

- 2.12 In addition to amendments to the LDP written statement, consequential amendments are also required to the boundaries of allocations and designations to reflect Policy changes (e.g. the change from Green Belt to Green Wedge), and to correct errors or provide factual updates (e.g. allocations becoming 'commitments' through planning permissions recently gained). These amendments are set out in full in the MAC schedule and are highlighted in Appendix B of this report.
- 2.13 Also provided in Appendix B is the amended 'Strategy Diagram', which provides an updated schematic overview of the key areas of growth and environmental protection that are proposed across the County.

Unsupported Inspector proposed change

- 2.14 The Council and Inspectors have agreed during the Examination that the changes set out in the MAC schedule are in principle appropriate for consultation as amendments to the Plan. The one issue that currently remains not agreed between the Council and Inspectors relates to affordable housing targets set out in LDP Policy H3.
- 2.15 Throughout the Examination the Council has submitted substantive evidence and justifications to underpin the Deposit LDP policy relating to affordable housing targets for residential developments [**LDP Policy H3, Hearing Sessions 4, 15 and 18**]. Statements of evidence have also been submitted to the Examination by Coastal Homes, Pobl, Llanmoor Homes and Morganstone Homes, which support the Council's approach and its targets for delivering affordable homes. The targets set out in the relevant Deposit policy, which the Council considers underpinned by the range of evidence, are:

Strategic Housing Policy Zone	Target for Affordable Housing
North	15%
East	
Greater North West	20%
Swansea West	35%
Gower and Gower Fringe	50%

- 2.16 During Hearing Session 18 the Inspectors raised concerns, which they had also raised in earlier hearings and were similar to representations made by the Home Builders Federation, that they perceived a lack of alignment between the target percentages for affordable housing and some of the underpinning evidence regarding development viability. These concerns specifically relate to Swansea North, Swansea East and Greater North West Swansea Housing Zones (the targets for the Swansea West and Gower/Gower Fringe are not contested). During the course of Hearing Session 18, the Inspectors issued a short note to participants entitled '*For comment: Inspectors' suggested changes related to Affordable Housing targets*' (subsequently published as Examination Document ED089), which proposed the following changes to the affordable housing targets for residential development:

Strategic Housing Policy Zone	Target for Affordable Housing
North	5%
East	10%
Greater North West	15%
Swansea West	Unchanged from above
Gower and Gower Fringe	Unchanged from above

- 2.17 The impact of implementing the above targets would be to reduce the potential of the Plan to facilitate affordable housing delivery on allocated non-strategic housing sites and on windfall applications in the order of 200 affordable homes (a drop of around 5%) over the Plan period (as itemised in Appendix D of this report). The Council made it clear during Hearing sessions that it does not support the Inspectors' proposed suggested set out in Examination Document ED089, and that it strongly refutes any suggestion that such targets are necessary to align with evidence, or that they are needed to make the Plan sound. Further to the Hearing, the Council wrote to the Inspectors to express its

opposition to the proposed change and to further emphasise that it considers sufficient evidence has been submitted to the examination to fully justify the Council's approach. This letter is available to view at <https://www.swansea.gov.uk/ldpexamination>

- 2.18 Notwithstanding that the Inspectors' suggestions to change the affordable housing targets are not supported by the Council, the Inspectors are able to require their suggested changes are issued for public consultation alongside the MAC schedule (known as 'Inspector Matters Arising Changes or IMAC'). Ultimately the Inspectors can mandate the Council to amend the LDP to reflect their proposed change to the affordable housing targets policy, along with any other changes of theirs to Plan policies and supporting text. If, following the period of public consultation, the Planning Inspectors elect to take this course of action and mandate that a change be made in relation to affordable housing targets, the Council would not be permitted to adopt the Plan at that stage unless the policy was changed accordingly.

3.0 Public Consultation on Matters Arising Changes

- 3.1 The Council is statutorily required to undertake a consultation exercise on the MACs to the Deposit Plan. It is anticipated that the consultation period will begin on, or soon after, October 29th 2018 and last for a six week period in accordance with national guidance. **The consultation relates only to the changes that have arisen (i.e. the changes highlighted in the MACs and any IMACs, and the updates to associated documents – see Section 5 of this report).** It is not an opportunity for interested parties to re-state previously made objections to the Plan or raise new objections to those parts of the LDP that are unchanged.
- 3.2 There are over 6,000 separate individuals or organisations on the LDP database that will be notified of the consultation, and the process will also be publicised using a range of media outlets and posters at libraries across the County. Any member of the public or interested party is able to make a representation during the consultation.
- 3.3 Members should note that all comments received will be forwarded to the Inspectors for their consideration and are not for consideration by the Council, in accordance with statutory obligations. The purpose of the consultation is to ensure the Inspectors are confident that everyone affected has had the opportunity to comment before they make any recommended change to the LDP. In publicising the consultation the Council will emphasise that representations made can only be in relation to the MACs and associated documents, and that any representations pertaining to parts of the Deposit that are unchanged will not be considered.

4.0 Final LDP Stages

- 4.1 Once the MACs consultation comments have been considered by the Inspectors, they will issue to the Council their binding Inspectors' Report on the changes required to make the Plan sound. The Inspectors have confirmed to the Council in writing that they anticipate issuing their Report in January 2019, subject to the MACs consultation being finalised prior to the end of 2018.
- 4.2 If, as expected, the Inspectors' Report concludes the LDP as amended would satisfy the relevant tests of soundness, the Council will then be required to

adopt the Plan incorporating any necessary changes within eight weeks of receiving the Report. As such, it is anticipated that the LDP will be brought before Council for formal adoption by the end of the current financial year.

5.0 Sustainability Appraisal and Habitats Regulations Assessment

- 5.1 It is a requirement under the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (LDP) (Wales) Regulations 2005 that the LDP is subject to a Sustainability Appraisal (SA) incorporating Strategic Environmental Assessment (SEA). The integrated SA ensures the policies and proposals of the Plan reflect sustainable development principles and assesses the effect of the plan on the economy, social wellbeing, resource conservation and environmental protection/enhancement. The SA plays an important part in demonstrating that the LDP is sound by ensuring that it reflects sustainable development objectives. The ongoing SA process has helped inform the precise form of wording in the MACs. The report has been updated to include assessment of the MACs and, to the extent necessary, any other matters that arose during the examination. The updated Sustainability Appraisal Report and Non-Technical Summary, which will be published for public consultation alongside the MACs, is available at <https://www.swansea.gov.uk/ldpsasea>.
- 5.2 As the Competent Authority the Council is also required by the Habitats Regulations (2017) to undertake a Habitats Regulations Assessment (HRA) of the LDP. The HRA will determine the likely significant effects of the plan on European Sites of nature conservation importance and, if applicable, undertake further assessment in the form of an appropriate assessment. Only once the Council has ascertained that the plan will not adversely affect the integrity of European Sites through a HRA, can the plan be adopted. A shadow Habitats Regulations Assessment of the Deposit LDP has been undertaken by consultants DTA Ecology Ltd, who have now updated the main report to take account of the Matters Arising Changes (MACs). The amended HRA is available at <https://www.swansea.gov.uk/ldphra>, which concludes that the MACs can be screened out for further consideration under the Habitat Regulations, as they are unlikely to have a significant effect on any European Site. It is recommended that the Council approves the updated HRA report for the purpose of public consultation and, as the Competent Authority, thereby affirms that the LDP as amended through the MACs will not adversely affect the integrity of any European Site either alone or in combination with other plans.

6.0 Equality and Engagement Implications

- 6.1 An Equality Impact Assessment (EqIA) has been undertaken as part of the Council's legal duty to assess the Plan's policies for their impact on protected groups as defined in the Equality Act 2010. The Assessment found that the Plan is relevant to a number of protected characteristics, including age, disability, the Welsh language, poverty and social exclusion. The EqIA, which has been continually revised throughout the LDP process to reflect changes made to the Plan, is a Supporting Document to the Plan and will be finalised at the time of final adoption of the LDP. The draft EqIA can be viewed at: www.swansea.gov.uk/ldpeqia

7.0 Financial Implications

- 7.1 The decisions will incur low level expenditure in relation to the consultation process and the administrative actions required for formal adoption of the Plan, including the publication of documents and notification procedures. These costs will be accommodated within existing budgets for the current financial year.
- 7.2 Whilst it is anticipated that the LDP will be adopted during the current financial year, any unforeseen delay to the process at this stage could give rise to a need to allocate resources from the 2019/20 budget. This will be considered as part of the Council's budget review process and financial planning procedures, and if no additional budget is available, will be contained from within existing budgets.

8.0 Legal Implications

- 8.1 The Council is statutorily obliged to prepare a LDP in accordance with the Planning and Compulsory Purchase Act 2004, the Environmental Assessment of Plans and Programmes (Wales) Regulations 2004 and the Town and Country Planning (Local Development Plan) (Wales) Regulations 2005.

Background Papers:

Report to Council of the Cabinet Member for Commercial Opportunities & Innovation, 27 July 2017 - Swansea Local Development Plan (LDP) Update on Deposit LDP Public Consultation, Evidence Base Review and Next Stages

Appendices:

Appendix A: Full Schedule of Matters Arising Changes to Deposit LDP

Appendix B: Amendments to LDP Diagrams and Proposals Maps

Appendix C: Schedule of housing sites and Strategic Development Areas

Appendix D: Impact on supply of Affordable Housing if Inspectors' Suggested Changes to LDP Policy on Affordable Housing Targets (as set out in Examination Document ED089) are Imposed

Appendix A:

Full Schedule of Matters Arising Changes to Deposit LDP

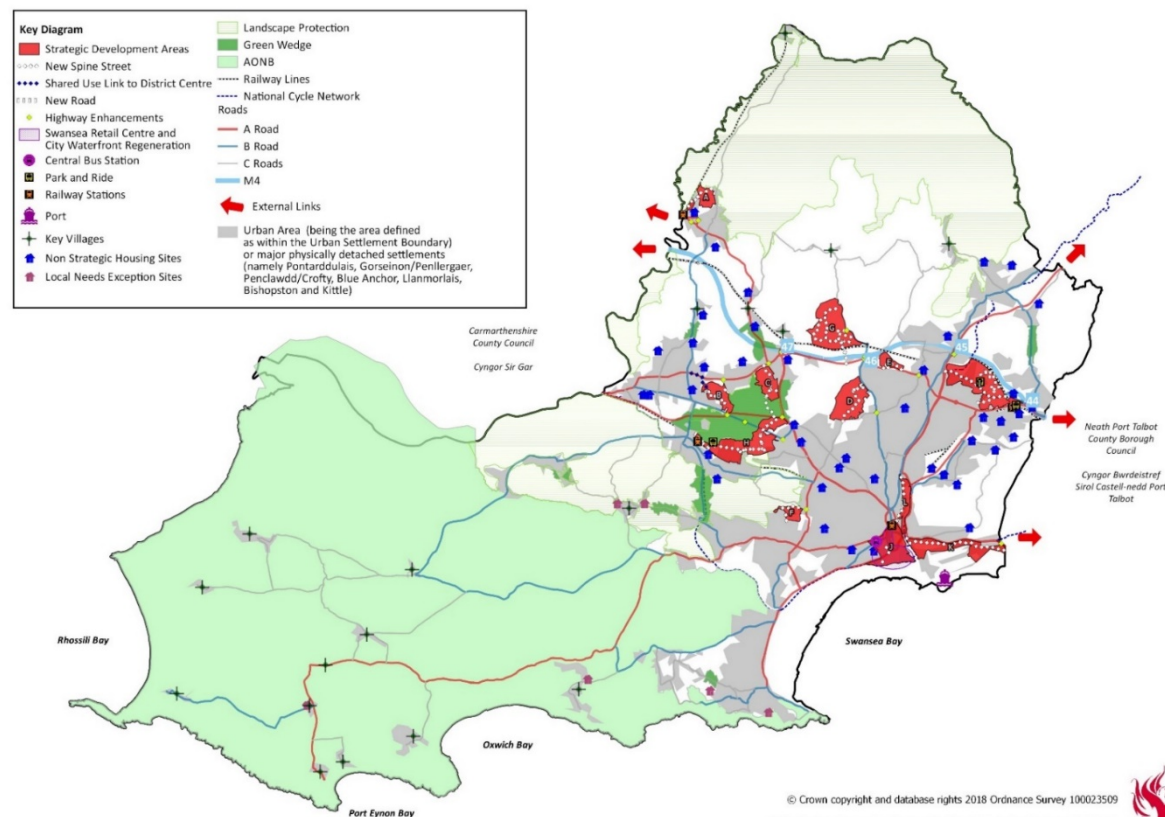
Document available to view at <https://www.swansea.gov.uk/ldp>

Appendix B:

Amendments to LDP Diagrams and Proposals Maps

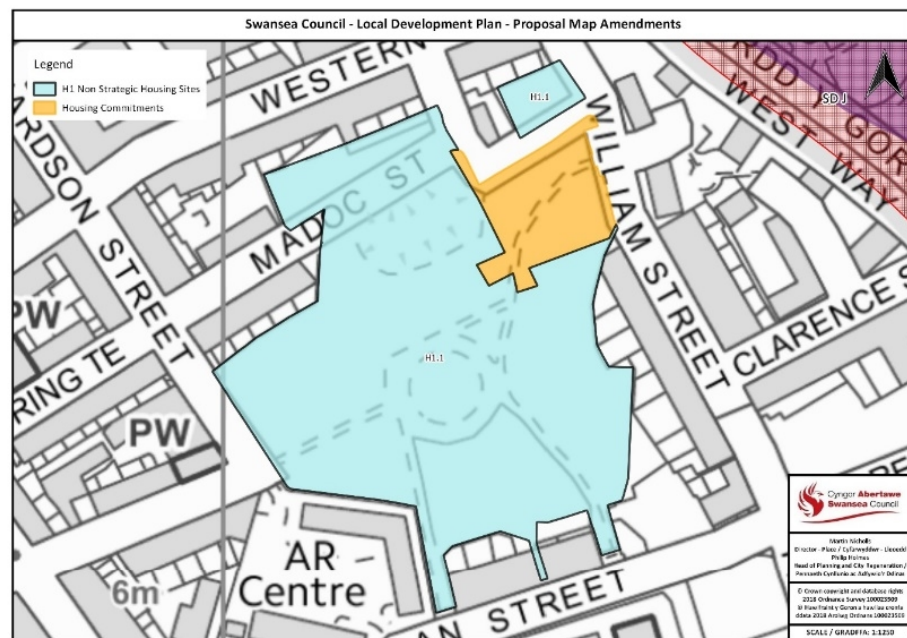
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC13	1.3 Growth Strategy Plan Strategy Diagram	ED010 HS1-SWANSEA - Plan Preparation	Update the Plan Strategy Diagram to reflect MACs.

Figure 7: Amended Plan Strategy Diagram

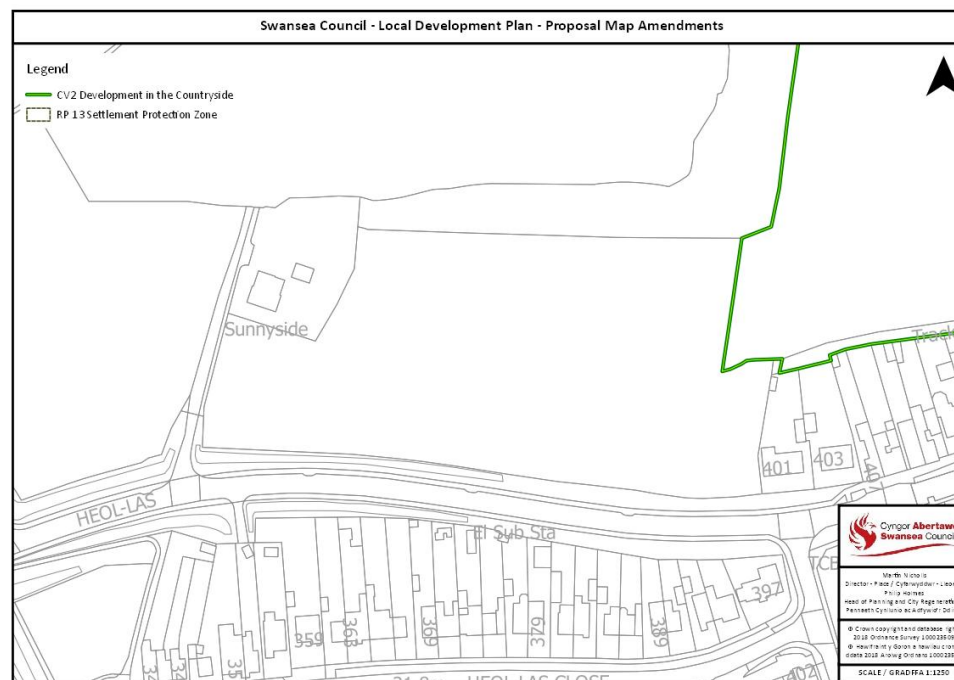


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 321	Proposals Map PS 3 Table 1	ED081 Statement arising from various Hearing Sessions Amendments to Maps and Plans AP3.2	Consequential amendments to proposals maps to reflect MACs which update windfall & commitment figures in Table 1 (in Policy PS 3) to reflect a base date of 01 April 2017, in line with JHLAS timescales

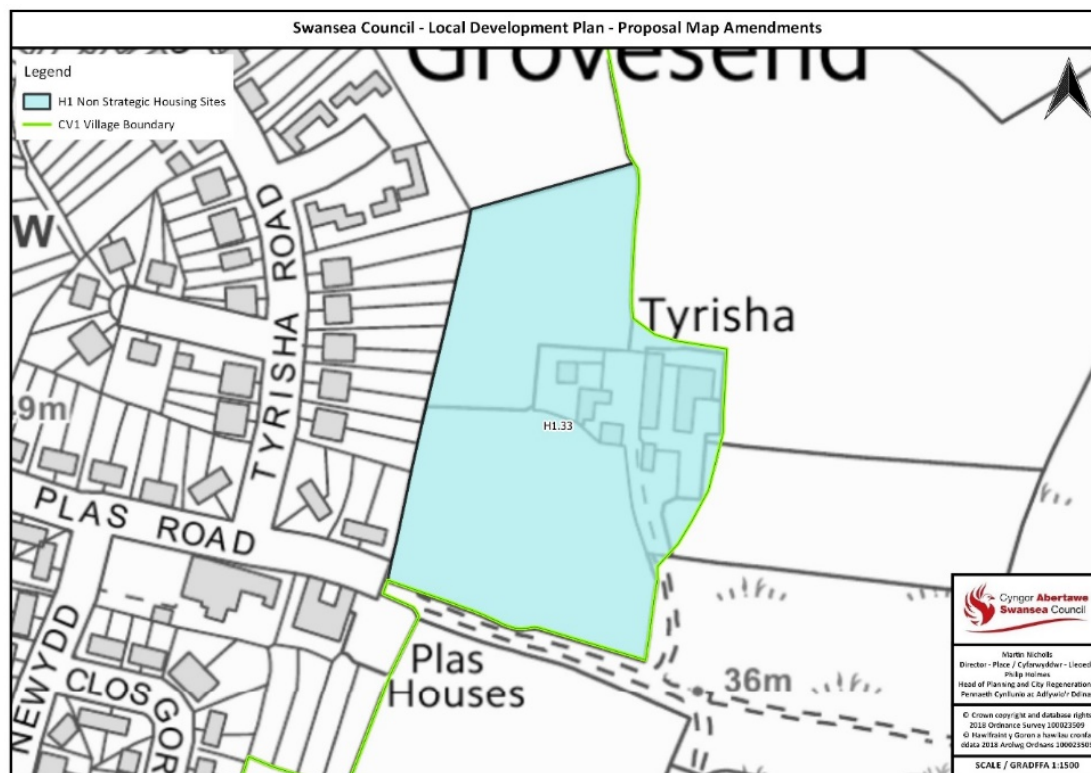
Amend proposals map to show that part of housing allocation H 1.1 Former Vetch Field, Glamorgan Street, Swansea is a commitment at the base date of 01 April 2017 under planning application reference 2015/1731



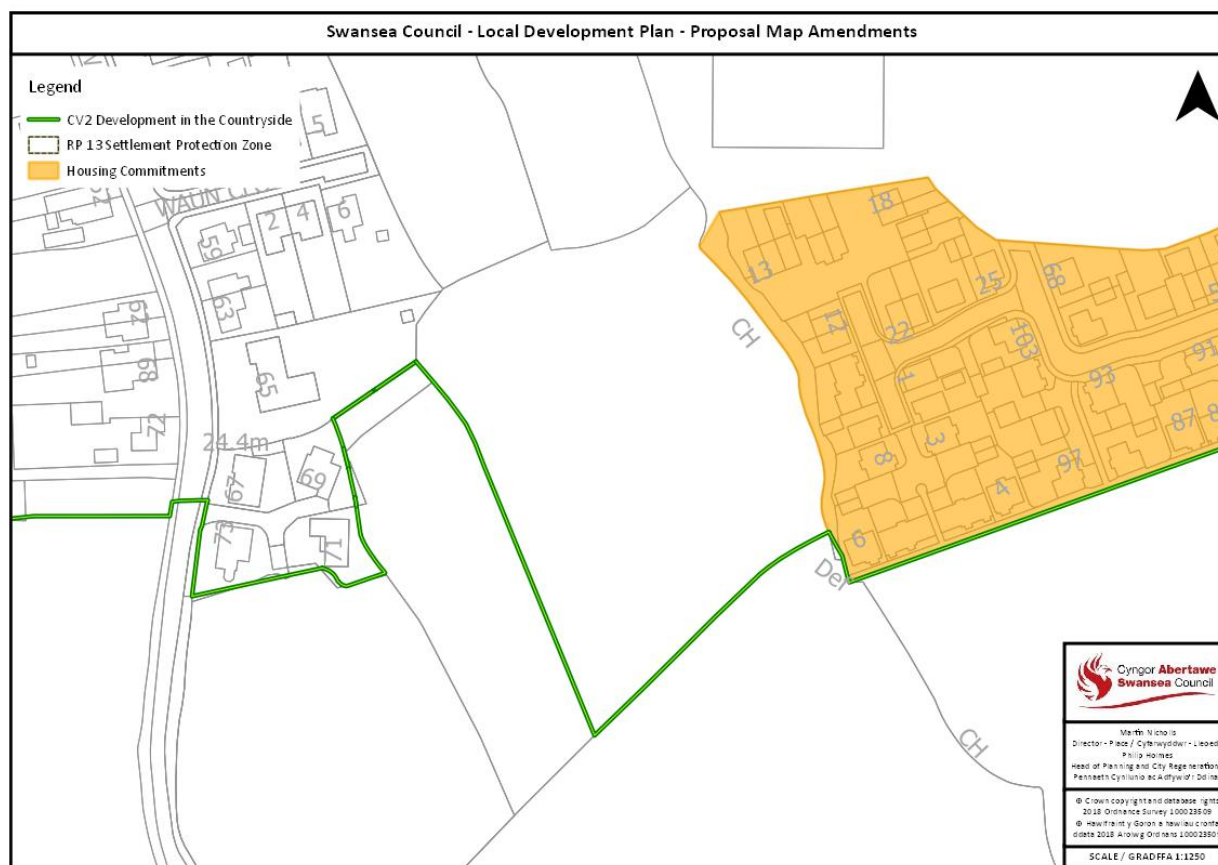
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 322	Proposals Map H 1.14	ED081 Statement arising from various Hearing Sessions Amendments to Maps and Plans AP8.2	Delete housing allocation H 1.14 Land adjacent to Heol Las, Birchgrove whilst retaining site within the settlement boundary.



MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 324	Proposals Map H 1.33	ED076 Council AP Statement arising from HS16 amendments to H1.33 AP16.1	Amend boundary of site H 1.33 Land at Tyrisha Farm, Grovesend to include farm buildings.

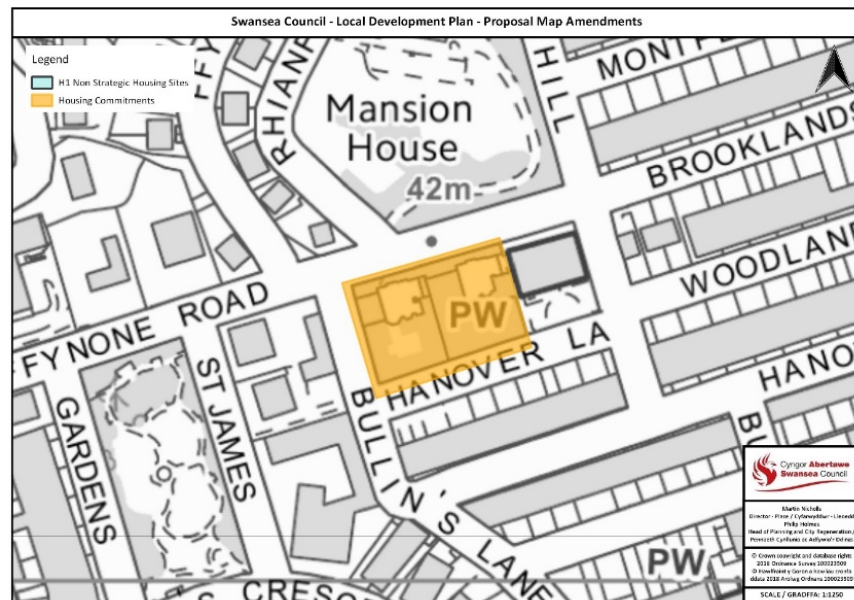


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 325	Proposals Map H 1.35	ED037 Replacement Council Statement Trajectory and Land Supply AP8.4	Delete housing allocation H 1.35 Land south of former Cae Duke Colliery, Loughor whilst retaining site within the settlement boundary.

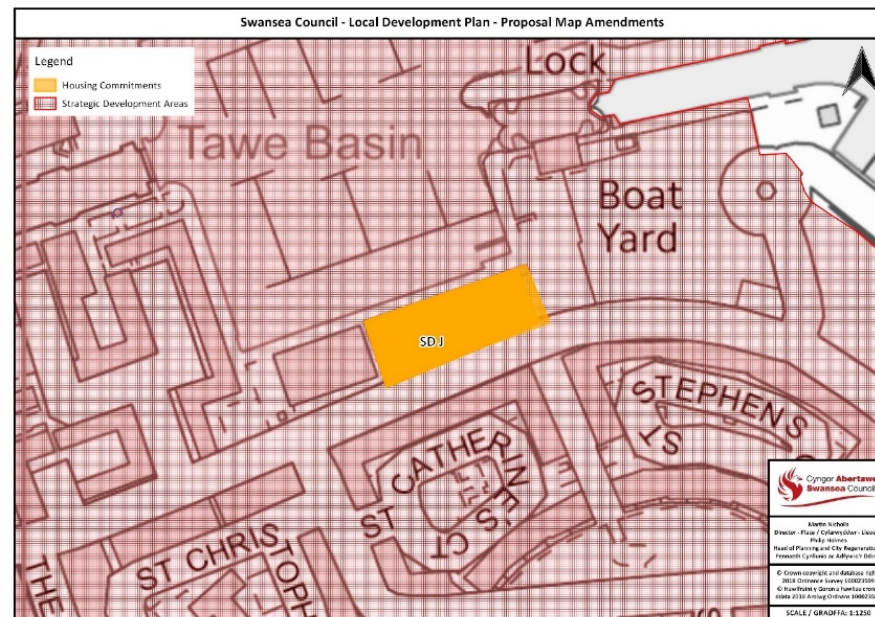


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 326	Proposals Map PS 3 Table 1	ED081 Statement arising from various Hearing Sessions Amendments to Maps and Plans AP3.2	Amend proposals map to show new housing sites of 10 or more units with planning permission as of 01 April 2017 as commitments

Former Ffynone Nursing Home and RAFA Club, 2015/1938

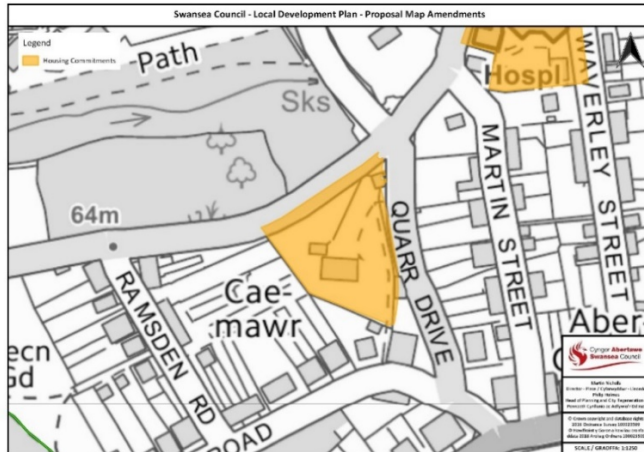


The Boat Yard, Adjacent to Fishmarket Quay, Trawler Road, 2016/1416

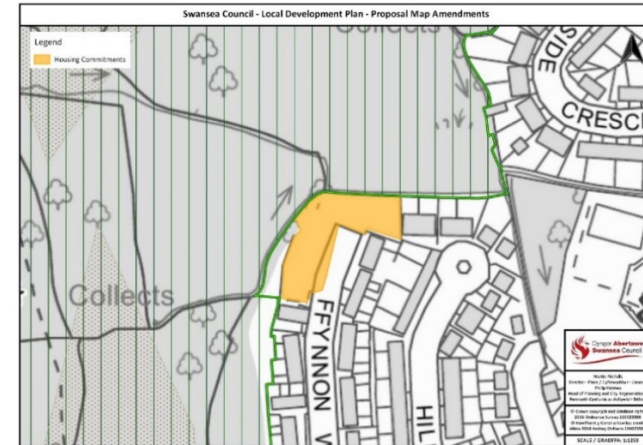


MAC no 326 continued: Amend proposals map to show new housing sites of 10 or more units with planning permission as of 01 April 2017 as commitments

The Beeches, 49/51 Western Street, Clydach, 2015/1348



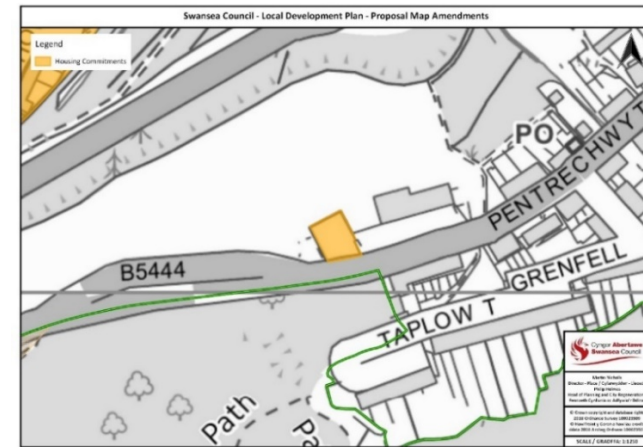
Land at Ffynnon Wen, Clydach, 2016/3122/FUL



Land at Parc Yr Helig, Off Ffordd y Bryn, Birchgrove, 2016/1529



1 Pentrechwyth Road, Bonymaen, 2015/0423

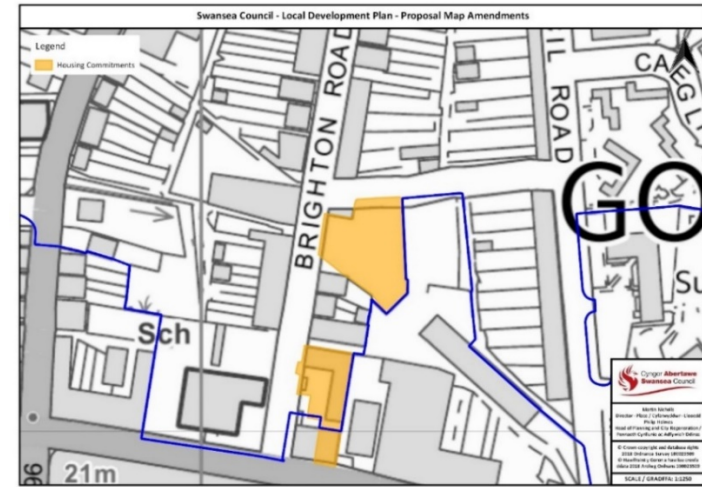


MAC no 326 continued: Amend proposals map to show new housing sites of 10 or more units with planning permission as of 01 April 2017 as commitments

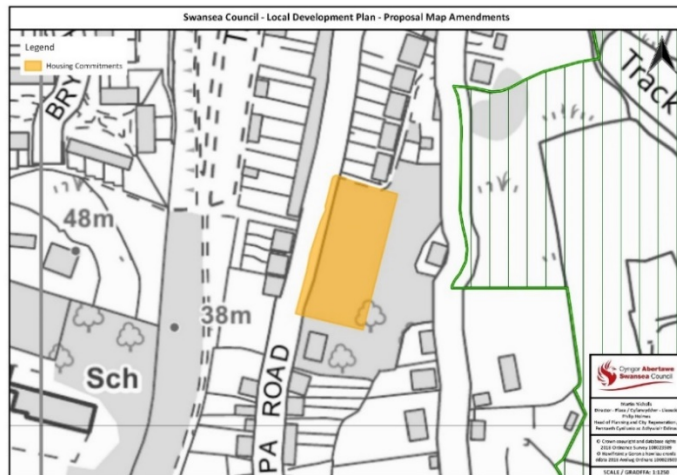
Land at TA Centre, Park Road, Gorseinon, 2016/1046



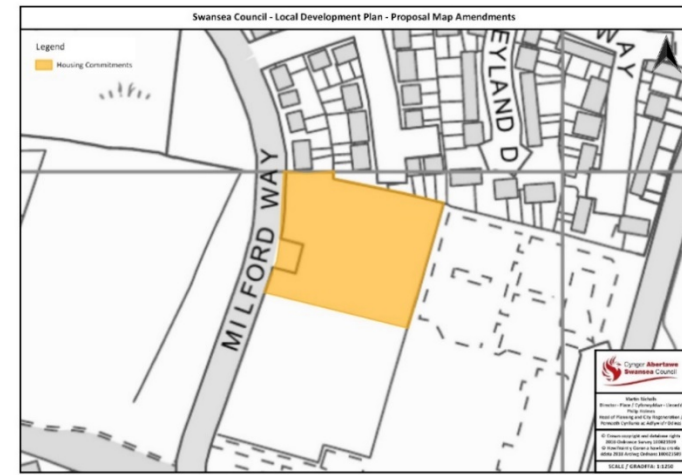
Land Adjacent to 76 Brighton Road, Gorseinon, 2016/1022



Land between 58-76 Goppa Road, Pontarddulais, 2014/0546

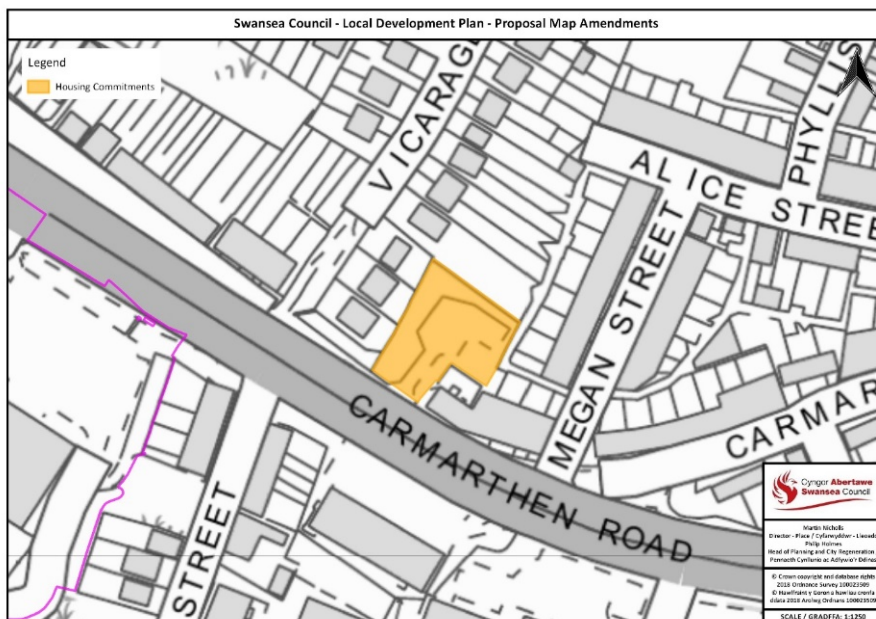


Land at Milford Way, Penlan, 2016/1008

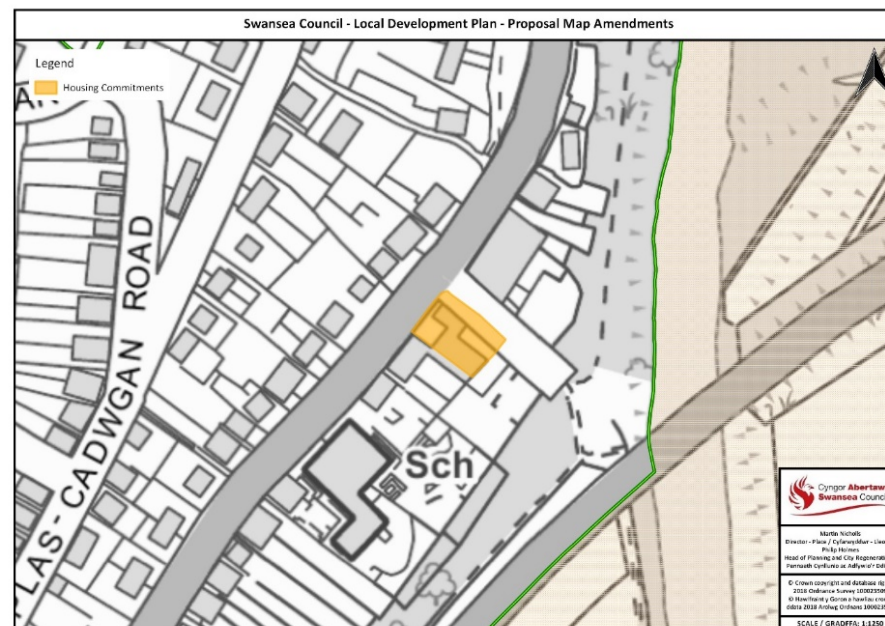


MAC no 326 continued: Amend proposals map to show new housing sites of 10 or more units with planning permission as of 01 April 2017 as commitments

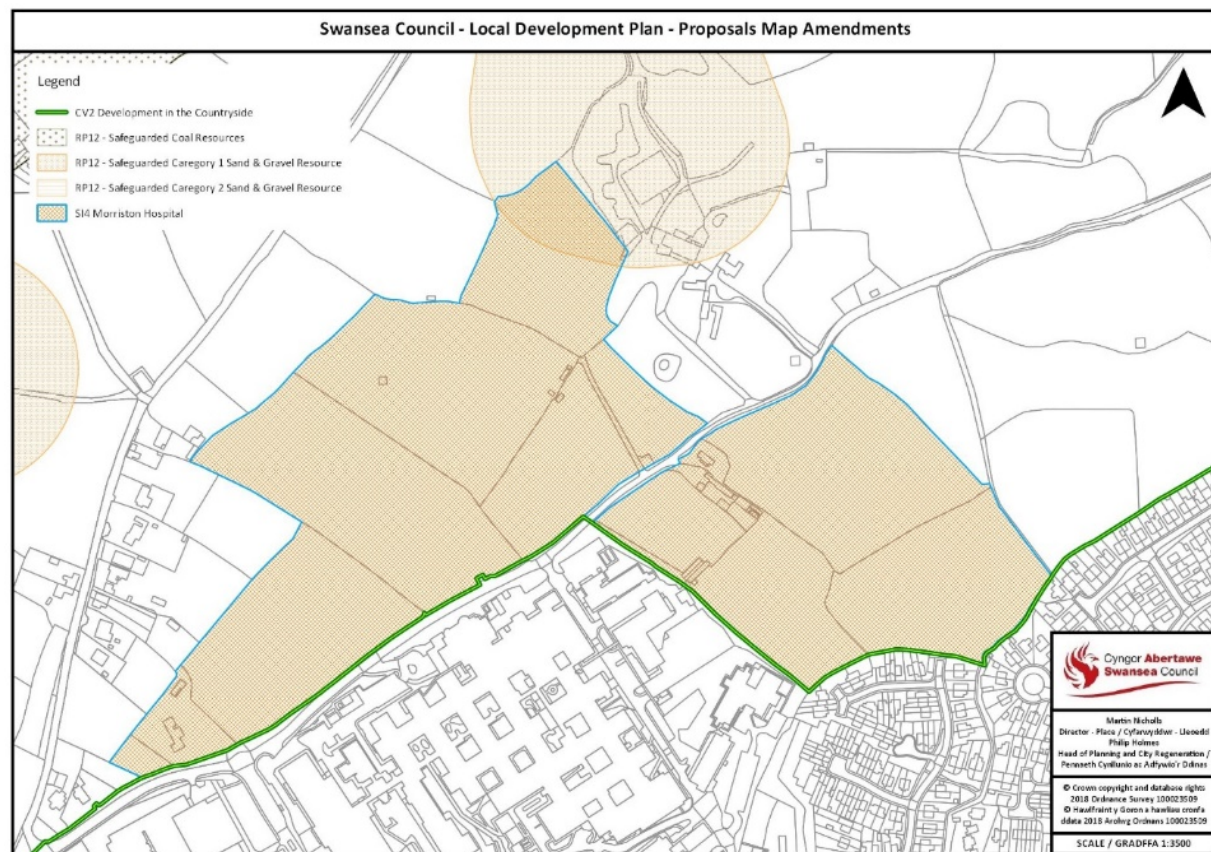
Land North of Travellers Well Public House, Carmarthen Road, 2016/3284



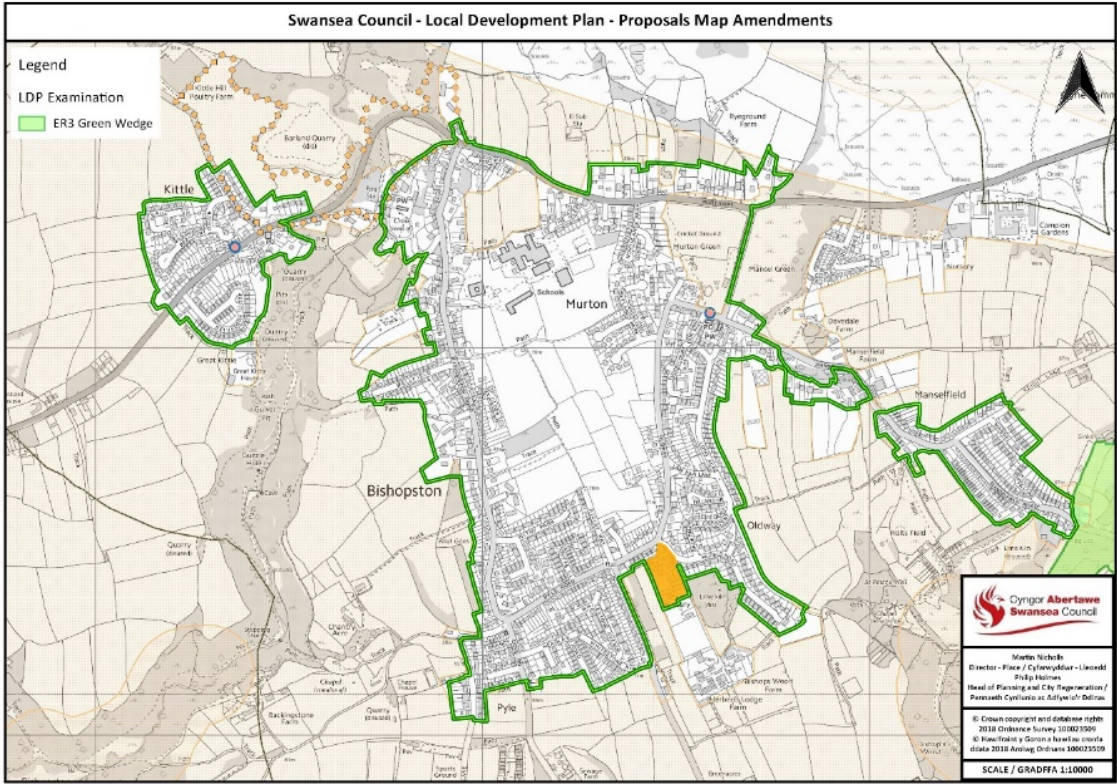
Moriah Chapel, Ynystawe, 2016/0386



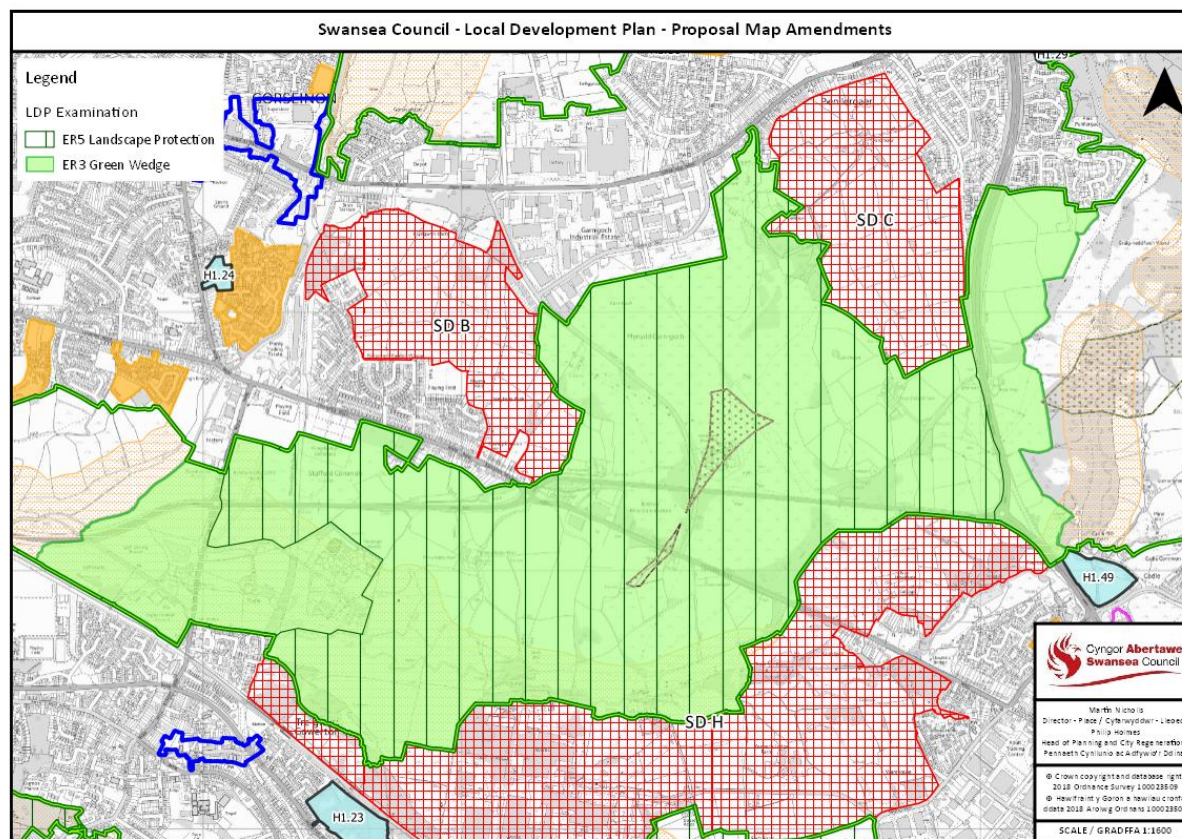
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 327	Proposals Map SI 4	AP11.5 ED057 Council Statement arising from HS 2 and 5 - Morriston Hospital (27.3.18)	Amend SI 4 site boundary to include additional land



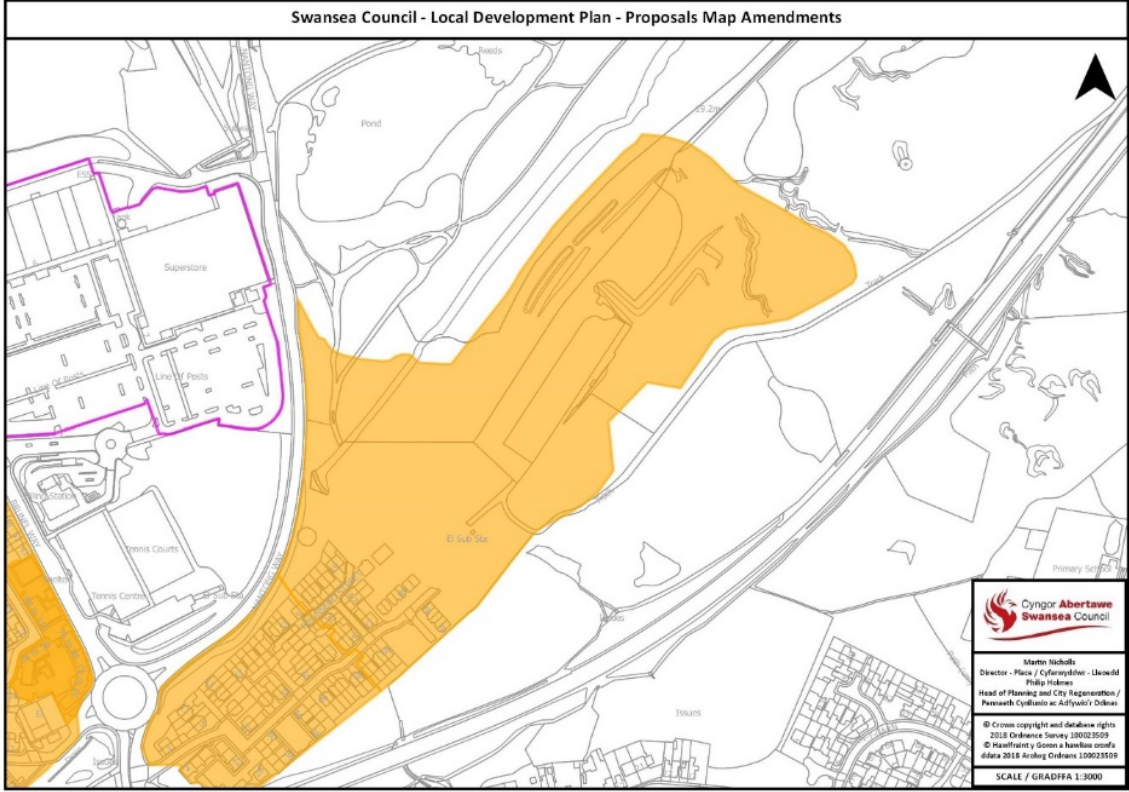
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
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MAC 328	Proposals Map ER 2	<p>ED069 Council AP Statement arising from HS10 Green Belt Wedge</p> <p>AP10.1</p>	Delete Bishopston Green Wedge.
 <p>The map displays the Swansea urban area with various green wedges outlined in green. A legend in the top left corner indicates 'LDP Examination' and 'ER3 Green Wedge'. A north arrow is in the top right. A scale bar and copyright information are in the bottom right corner.</p>			
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change

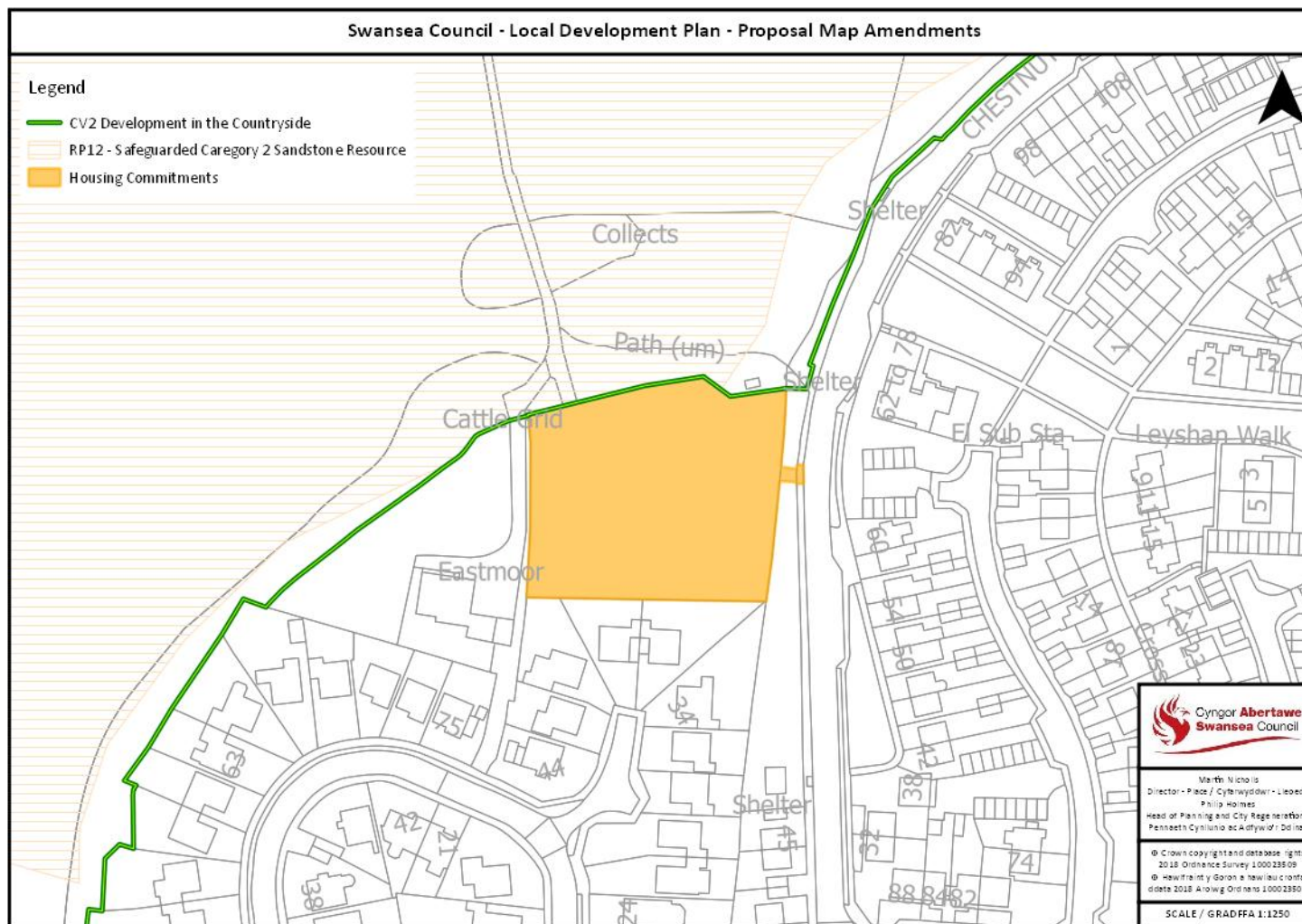
MAC 329	Proposals Map ER 3	ED069 Council AP Statement arising from HS10 Green Belt Wedge AP10.2	Amend Green Belt to Green Wedge and add SLA boundary
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MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
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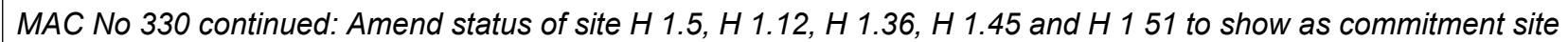
MAC 330	Proposals Map H 1	ED021 HS8a-Swansea H1 and H5 sites	Amend status of site H 1.5, H 1.12, H 1.36, H 1.45 and H 1 51 to show as commitment site
<p>H 1.5 Land at Upper Bank, Nantong Way, Landore</p> 			
<p><i>MAC No 330 continued: Amend status of site H 1.5, H 1.12, H 1.36, H 1.45 and H 1 51 to show as commitment site</i></p>			

H 1.51 Former Eastmoor Nursery, Chestnut Avenue, West Cross

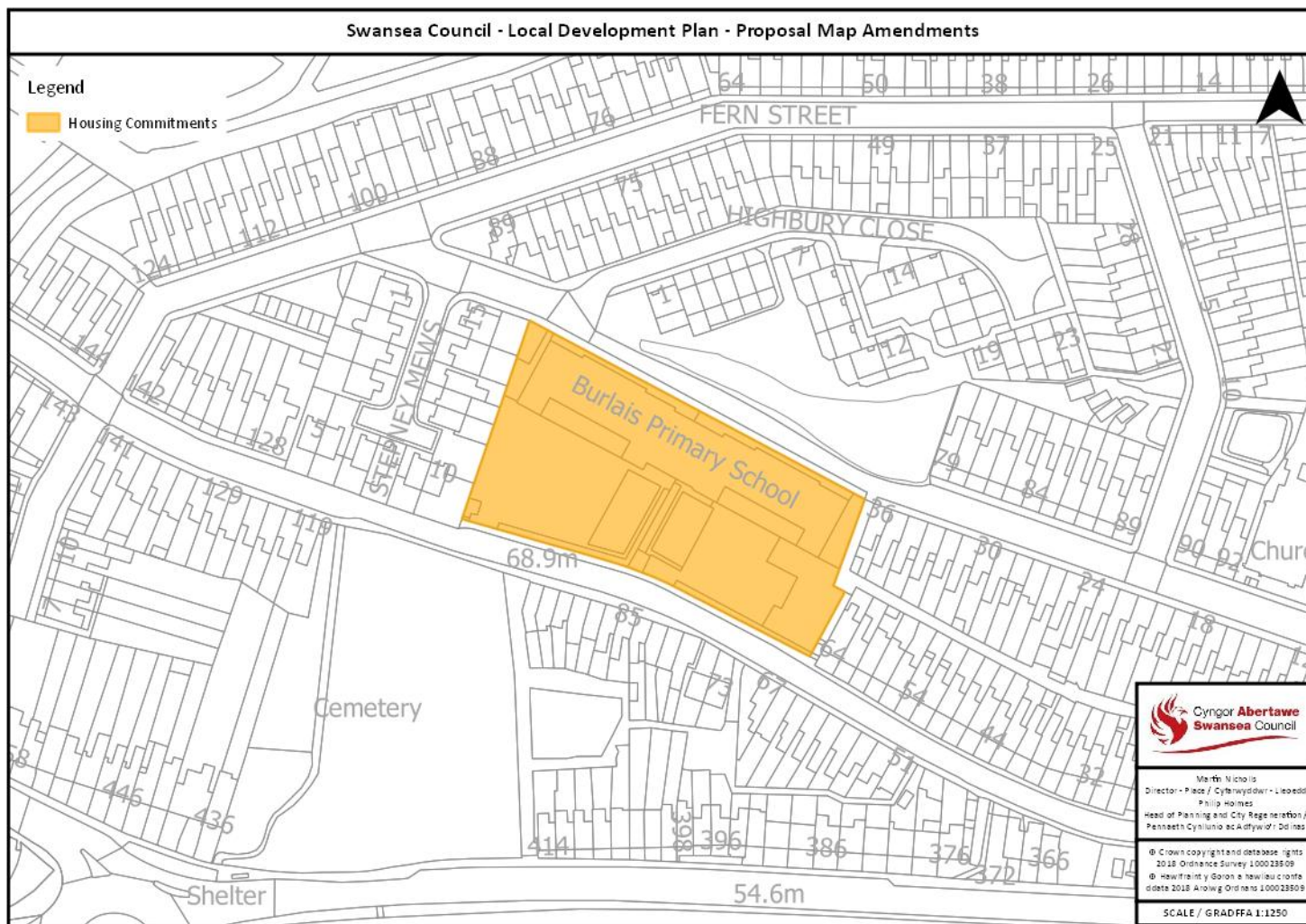


MAC No 330 continued: Amend status of site H 1.5, H 1.12, H 1.36, H 1.45 and H 1 51 to show as commitment site

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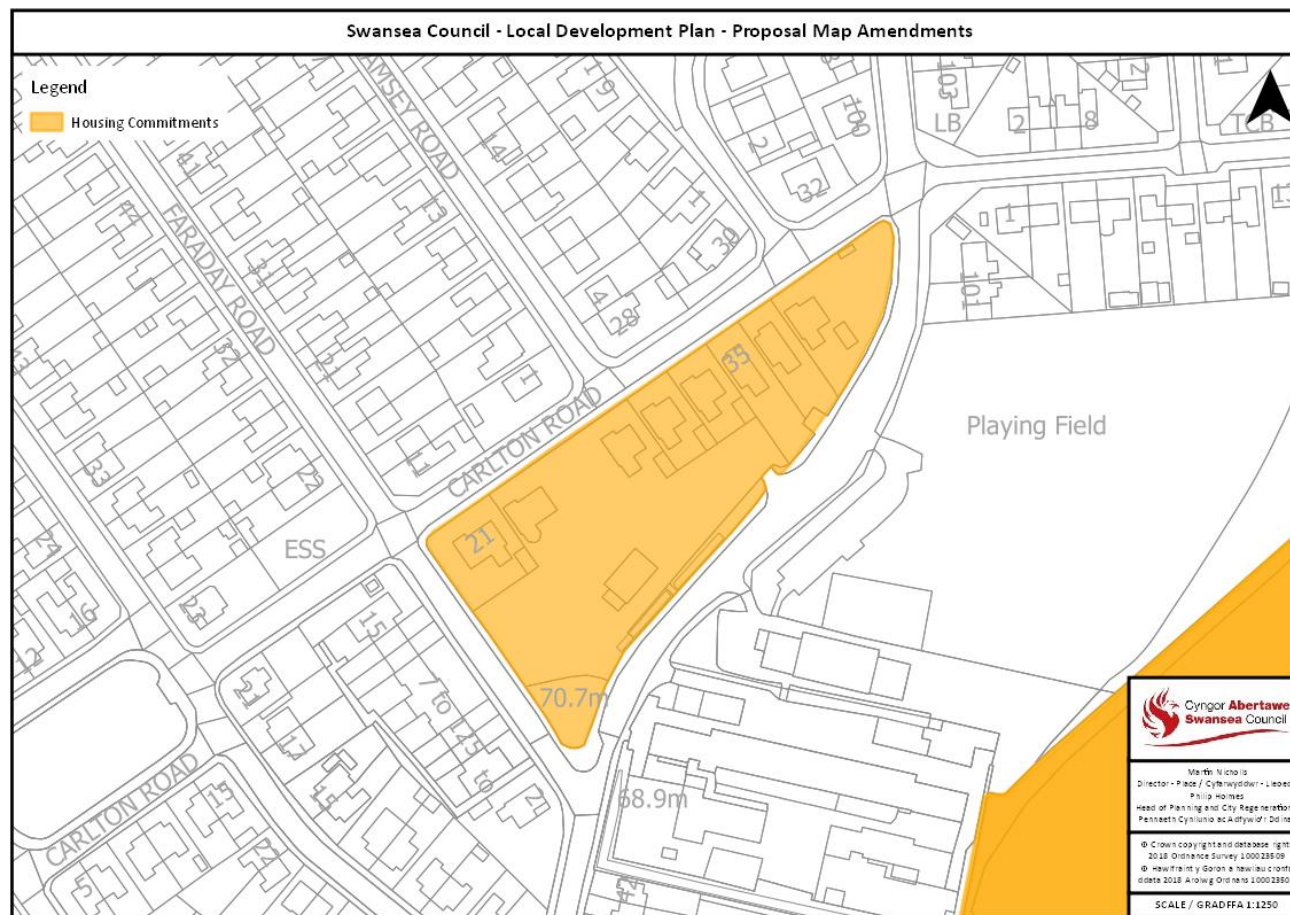


H 1.45 Former Cwmbwrla Primary School, Stepney Street, Cwmbwrla



MAC No 330 continued: Amend status of site H 1.5, H 1.12, H 1.36, H 1.45 and H 1 51 to show as commitment site

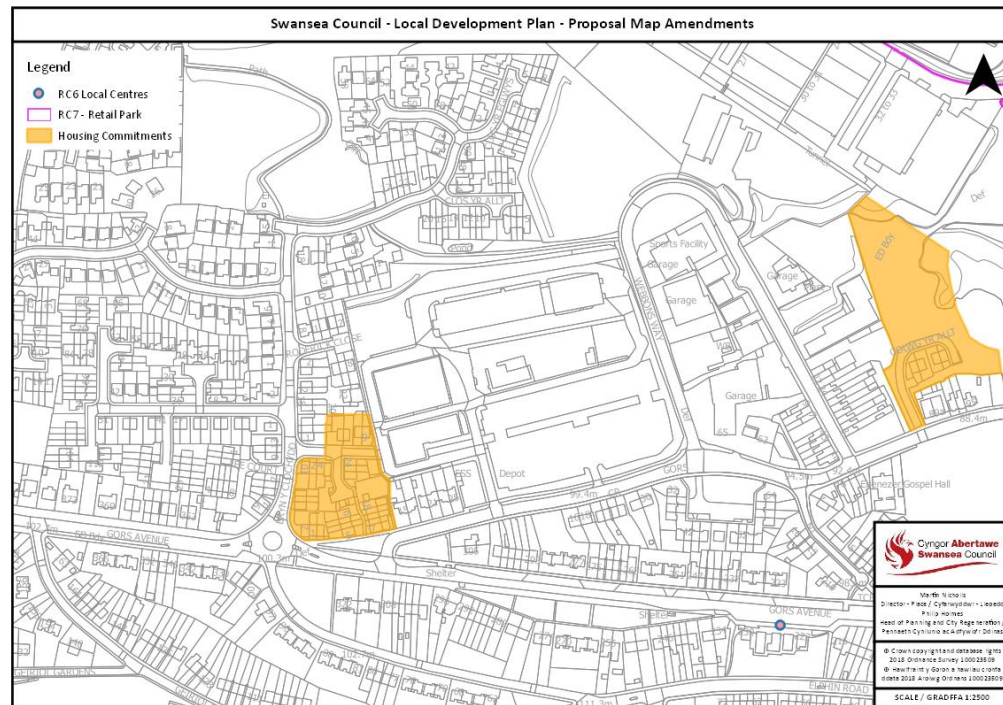
H 1.12 Former Teachers Centre, Gellionnen Road, Clydach



MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
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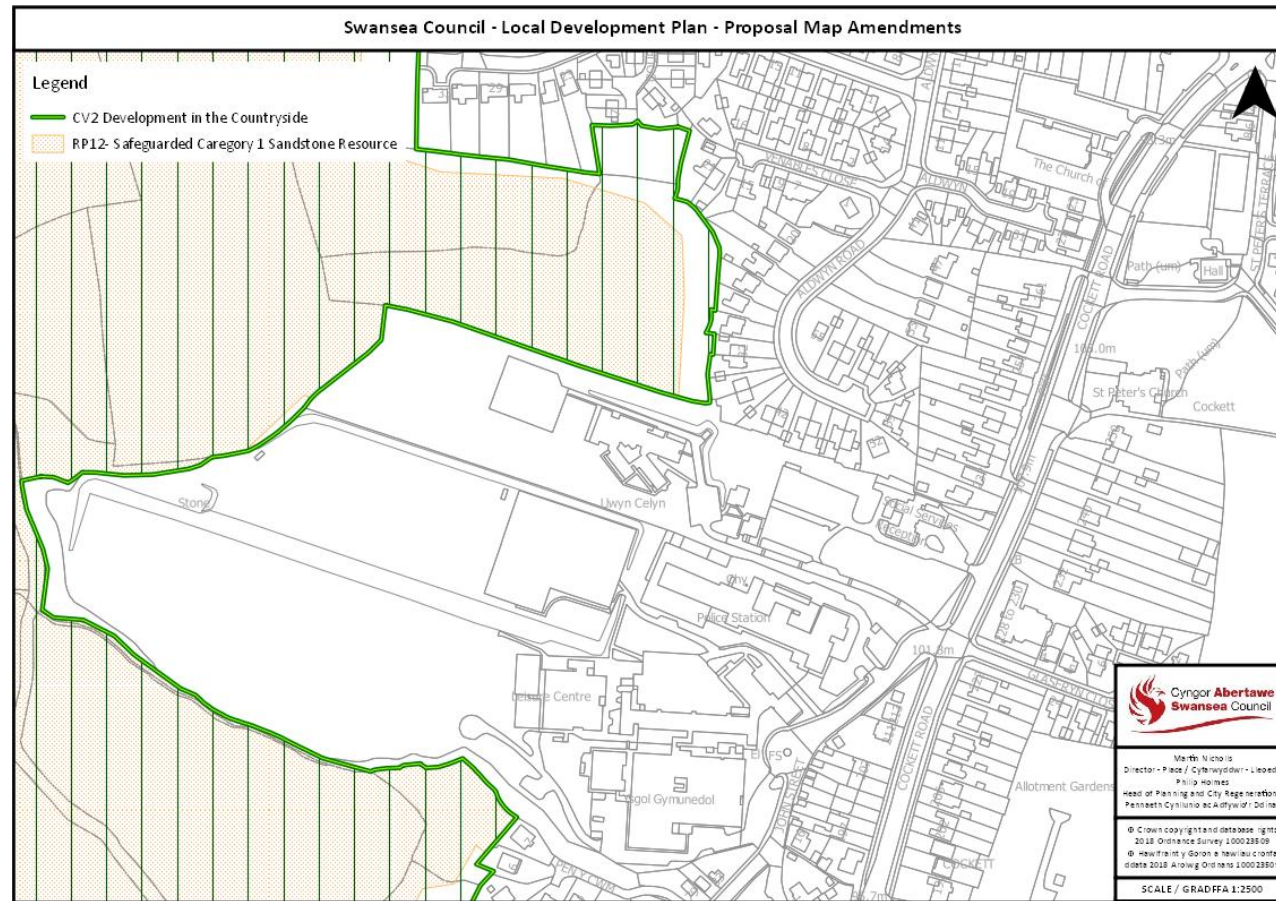
MAC 331	Proposals Map H 1: Non-Strategic Site Allocations	ED037 Replacement Council Statement Trajectory & Land Supply - Sessions 2, 3 and 8 UPDATE TO APPENDIX 2 & 5	Delete sites H 1.42 and H 1.43 from Proposals Map
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H 1.42 BT Depot, Gors Avenue, Townhill



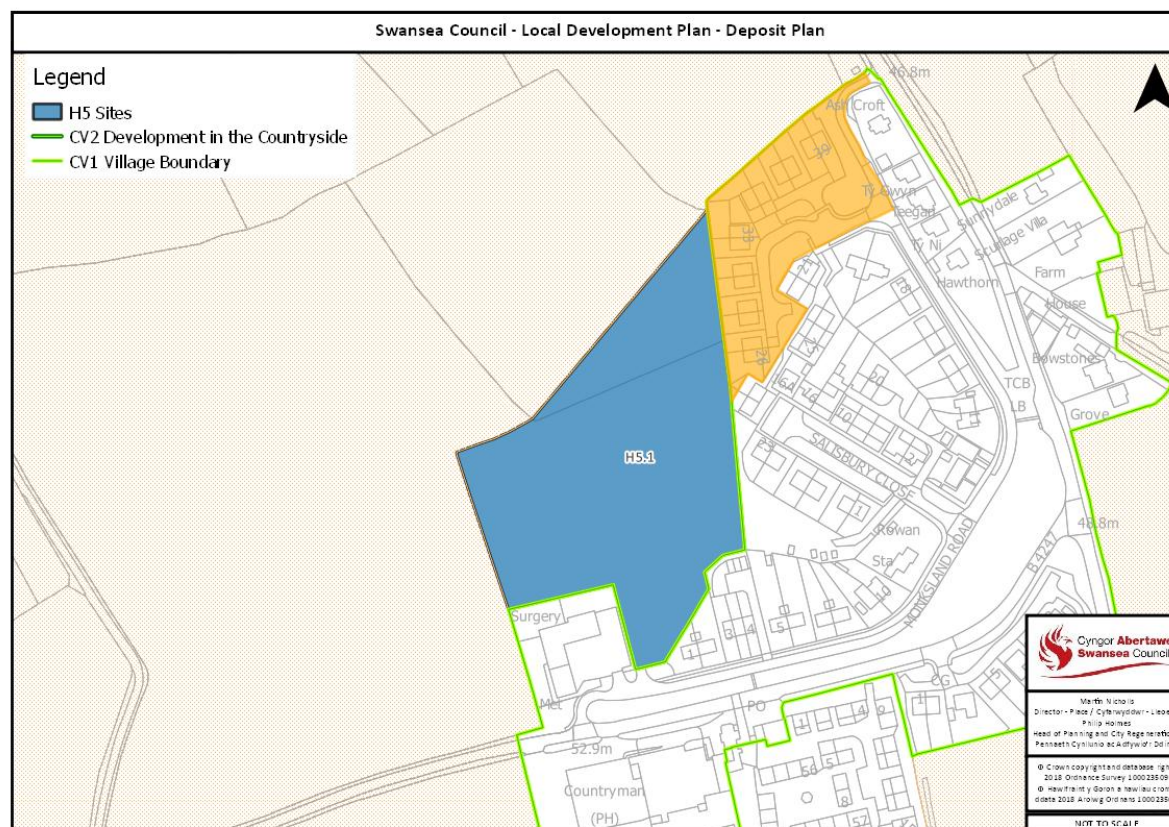
MAC No 331 continued: Delete sites H 1.42 and H 1.43 from Proposals Map

H 1.43 Land at Cockett House, Cockett



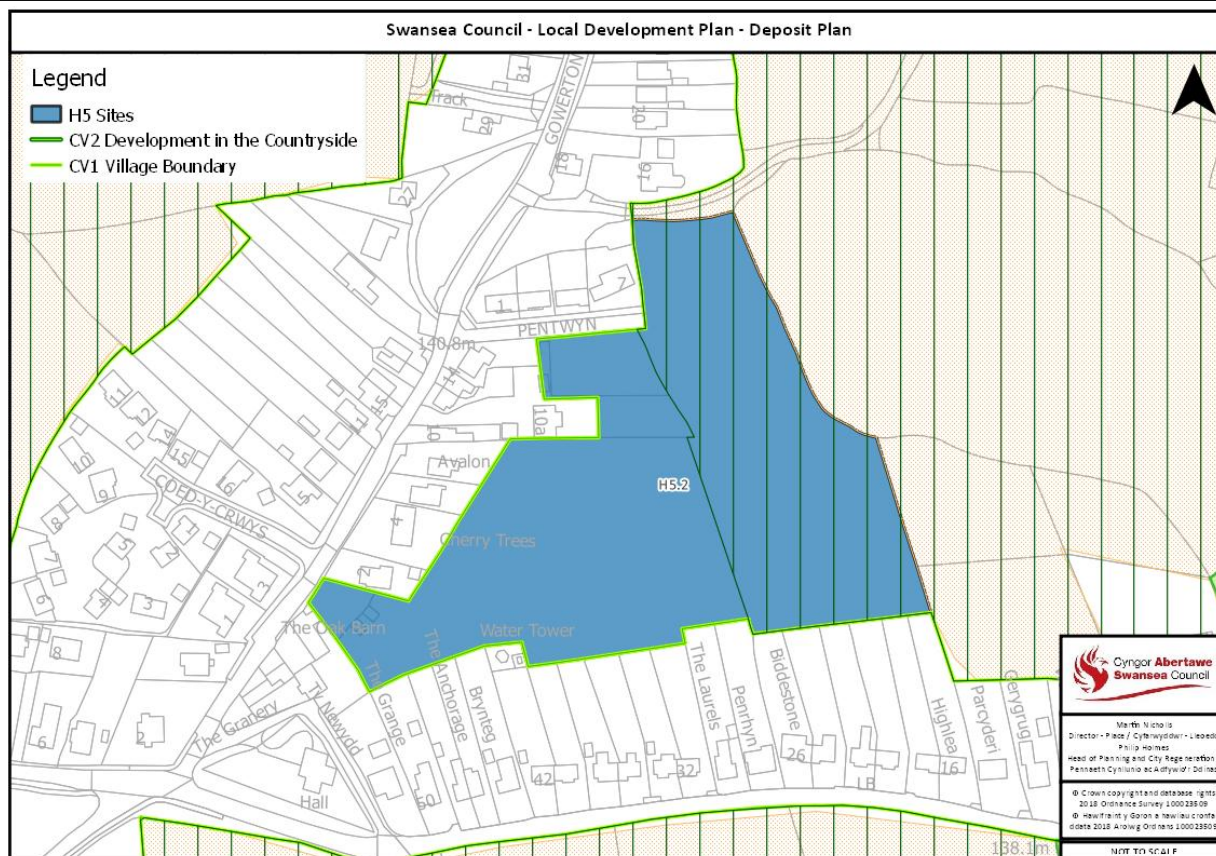
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 332	Proposals Map Inset Map 16 H 5.1	ED021 HS8a-Swansea_H1 and H5 sites	Amend boundary of site H 5.1 Land at Monksland Road, Scurlage

Before

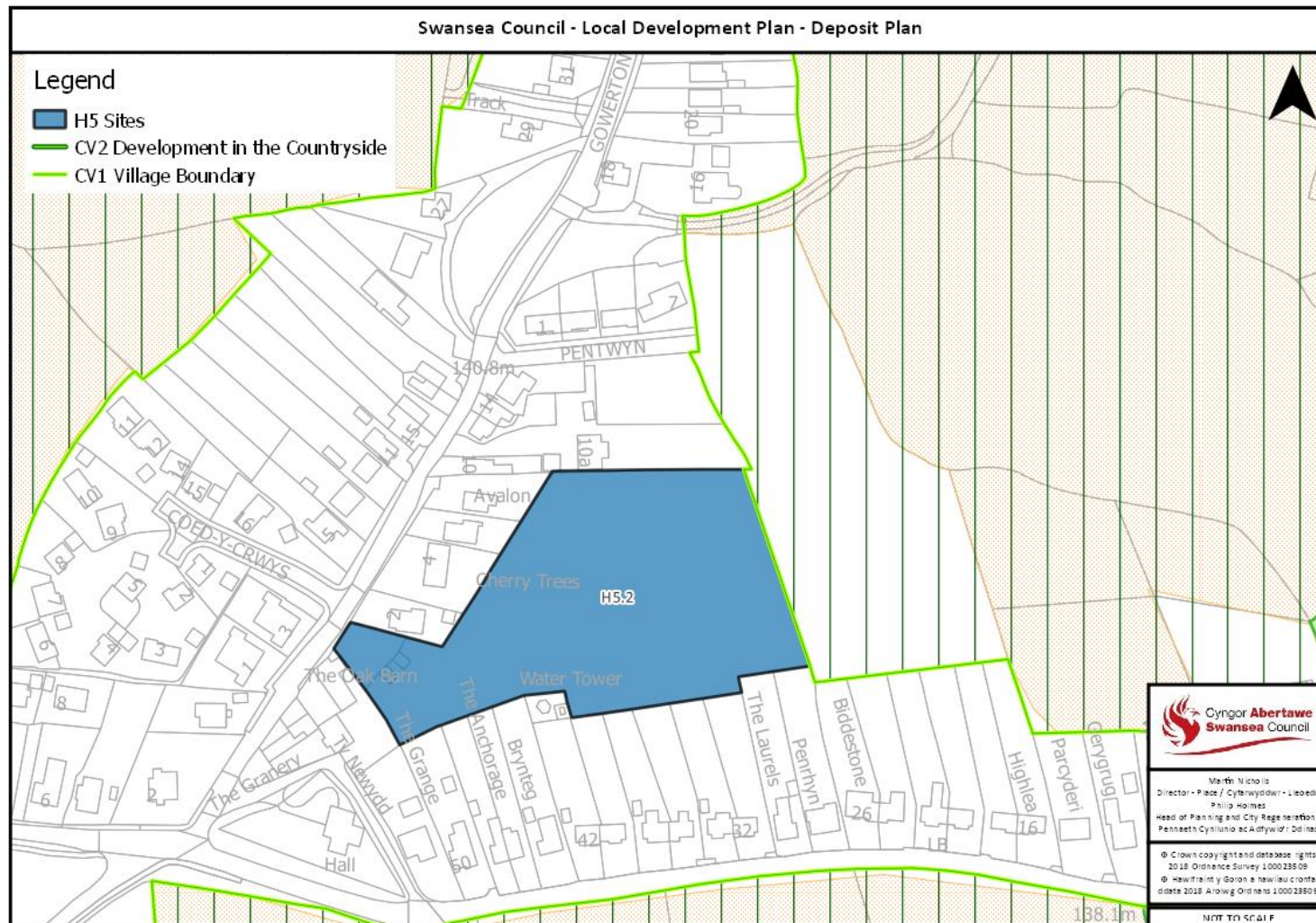


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 333	Proposals Map Inset Map 18 H 5.2	ED021 HS8a-Swansea_H1 and H5 sites	Amend boundary of site H 5.2 Land to the east of Gowerton Road, Three Crosses.

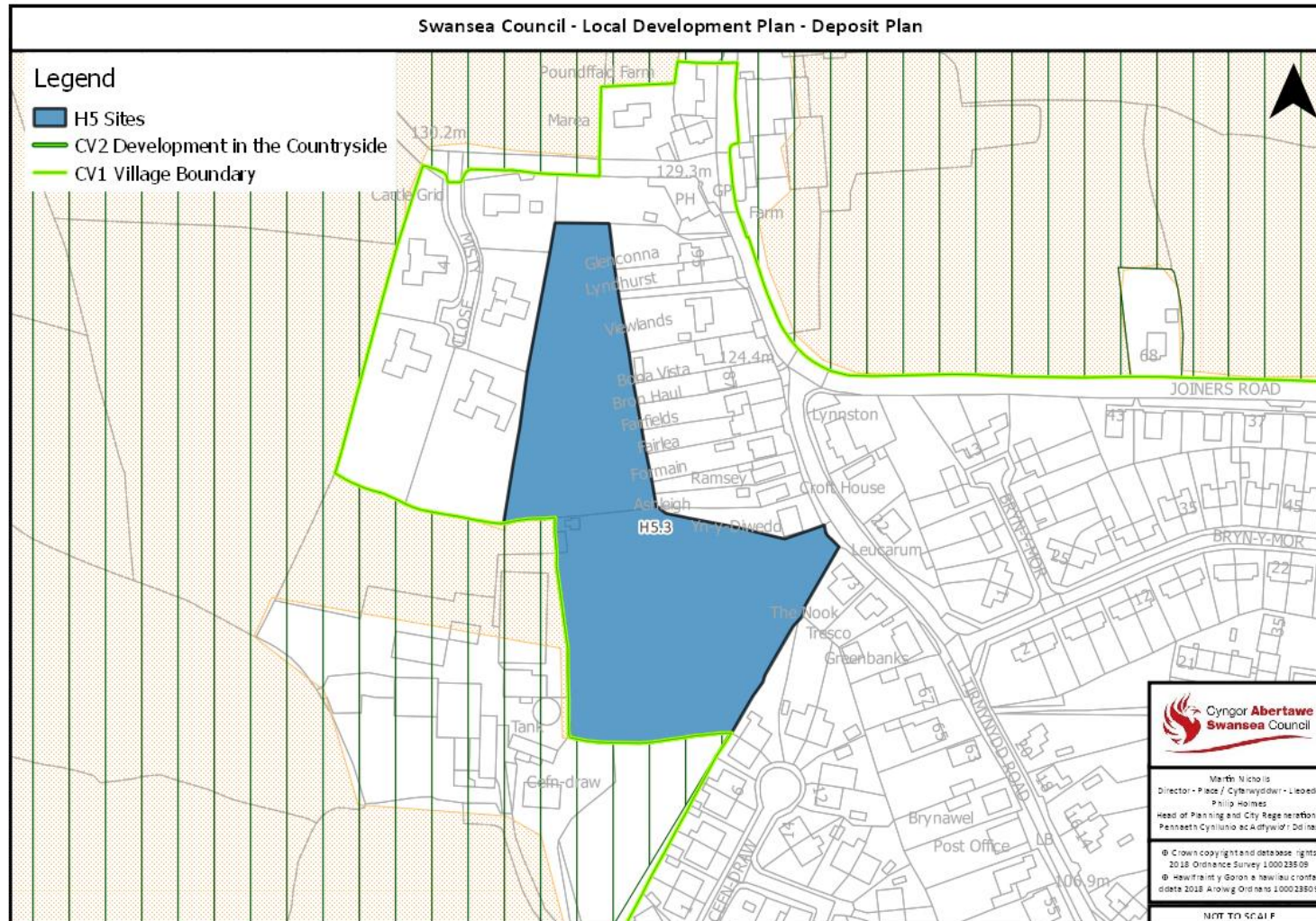
Before



After

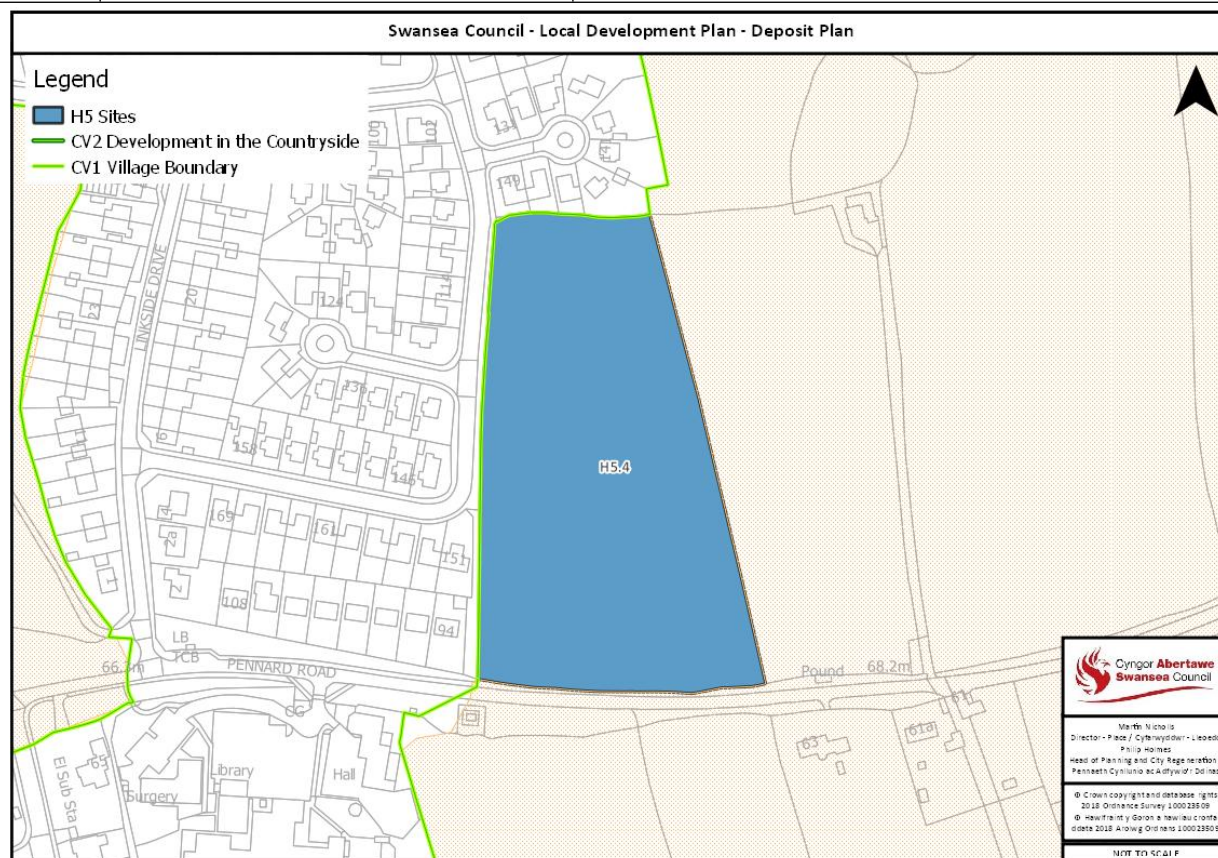


After

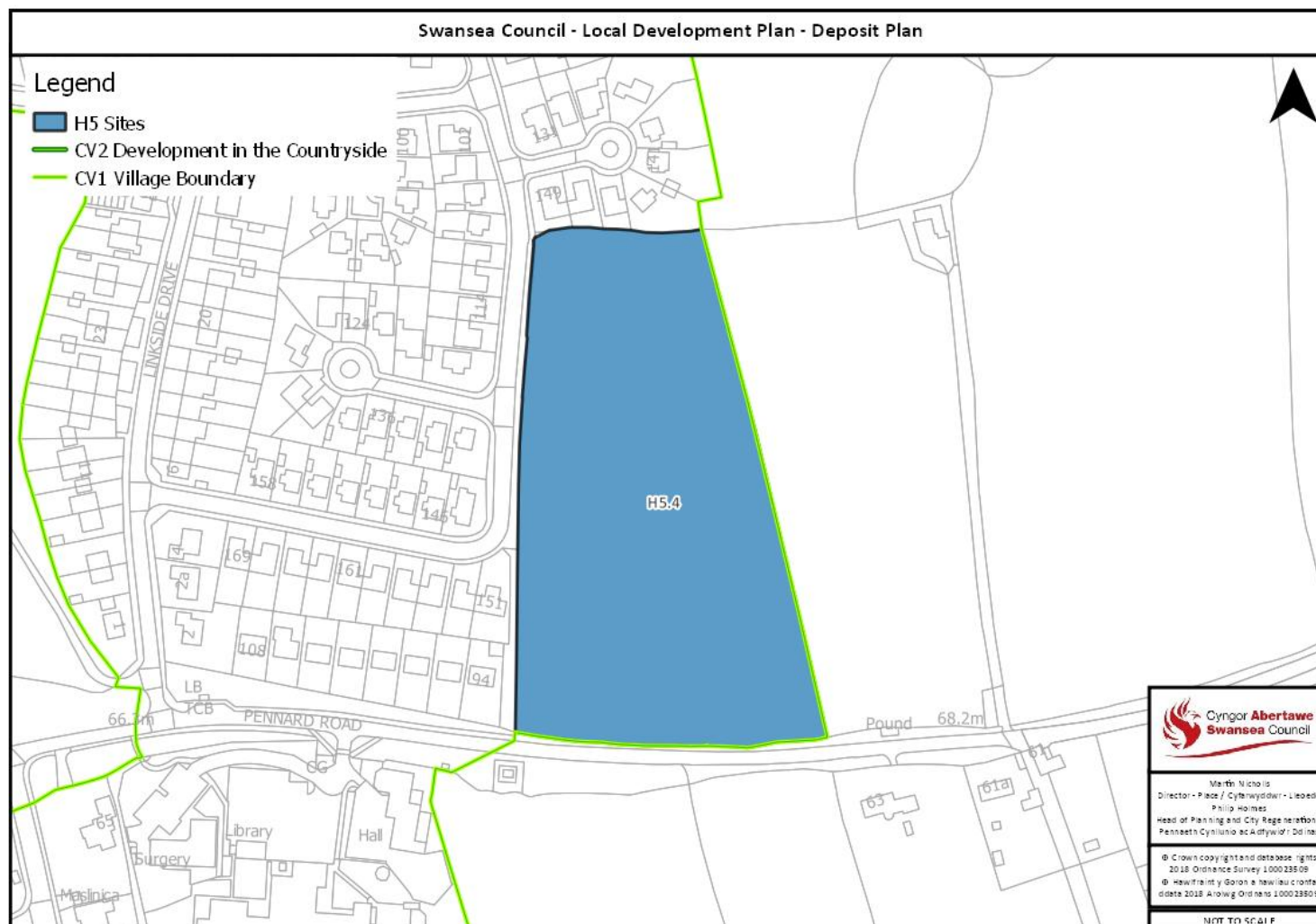


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 335	Proposals Map Inset Map 11 H 5.4	ED021 HS8a-Swansea_H1 and H5 sites	Amend boundary of site H 5.4 Land adjoining Pennard Drive, Pennard

Before

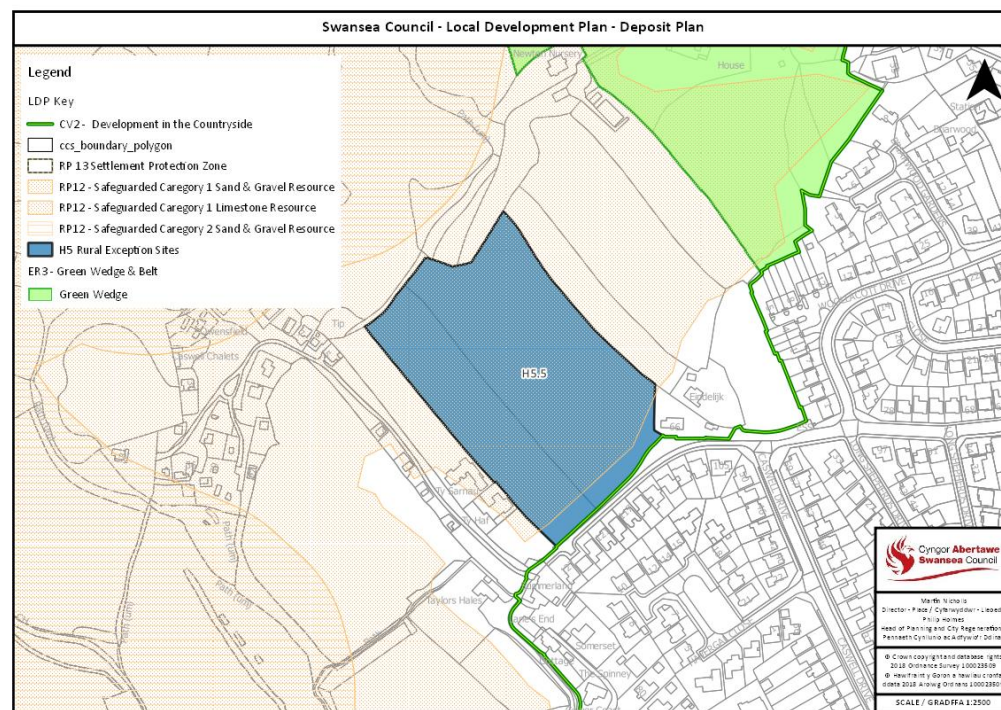


After

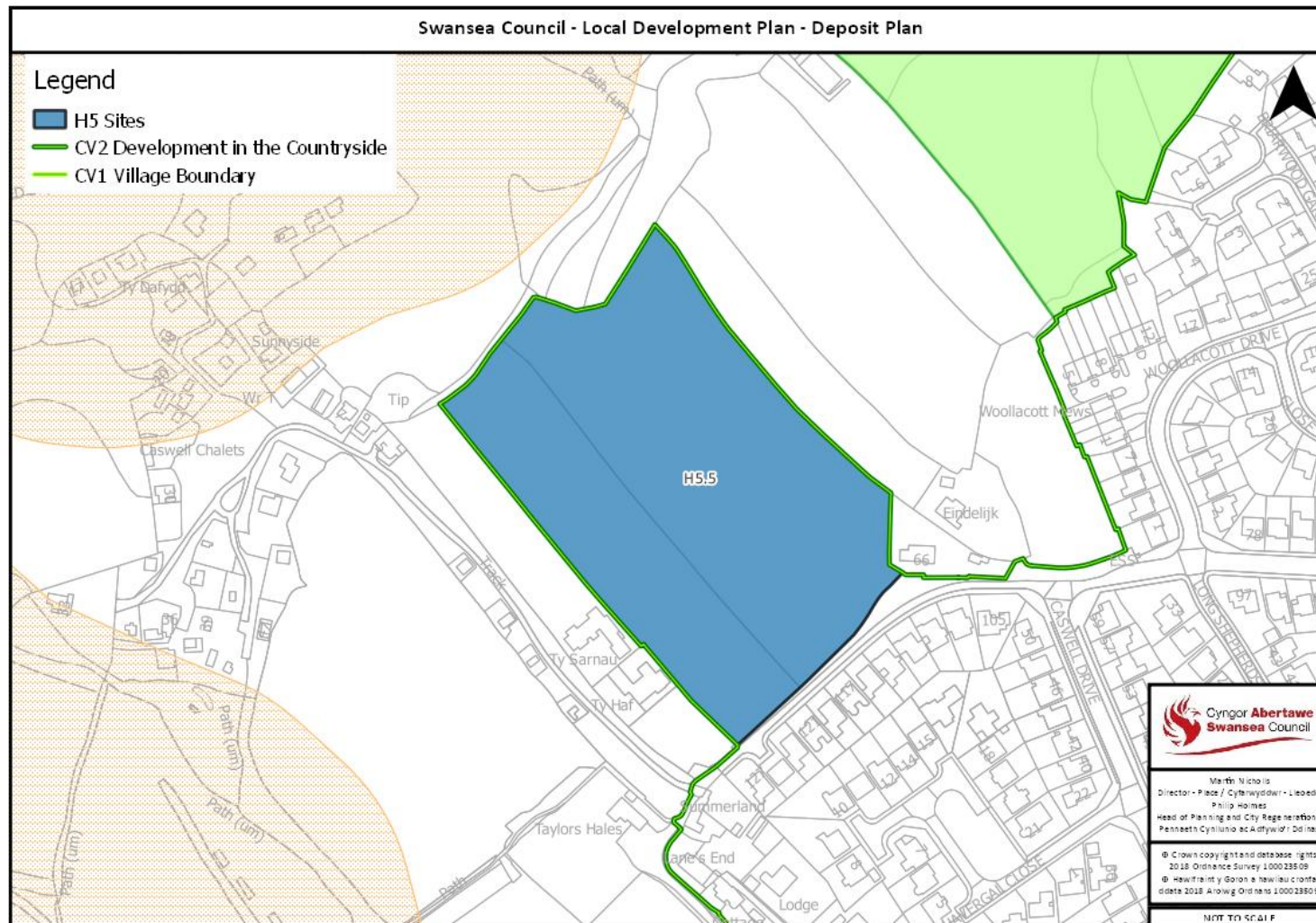


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 336	Proposals Map H 5.5	ED021 HS8a-Swansea_H1 and H5 sites	Amend boundary of site H 5.6 Land at Summerland Lane

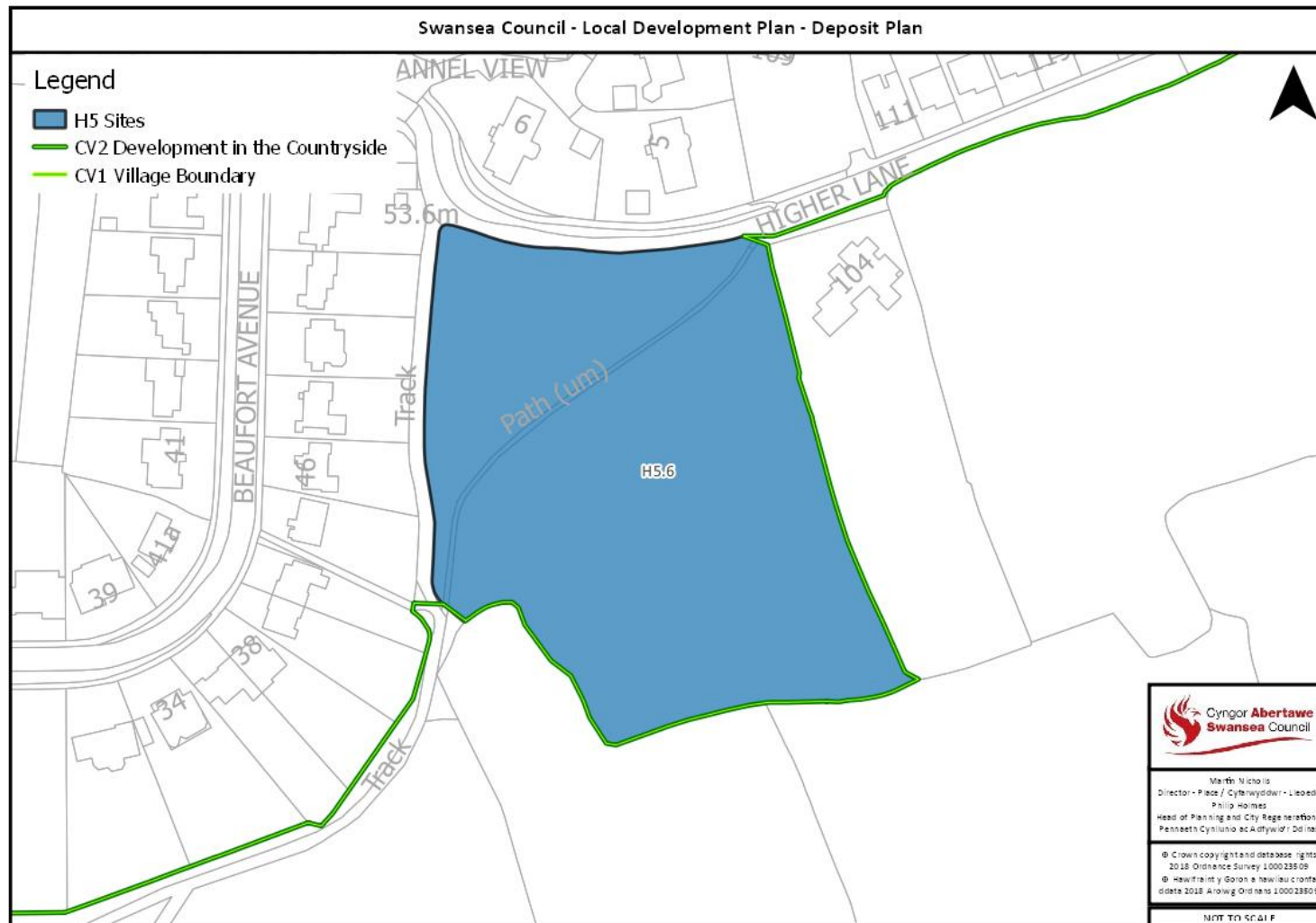
Before



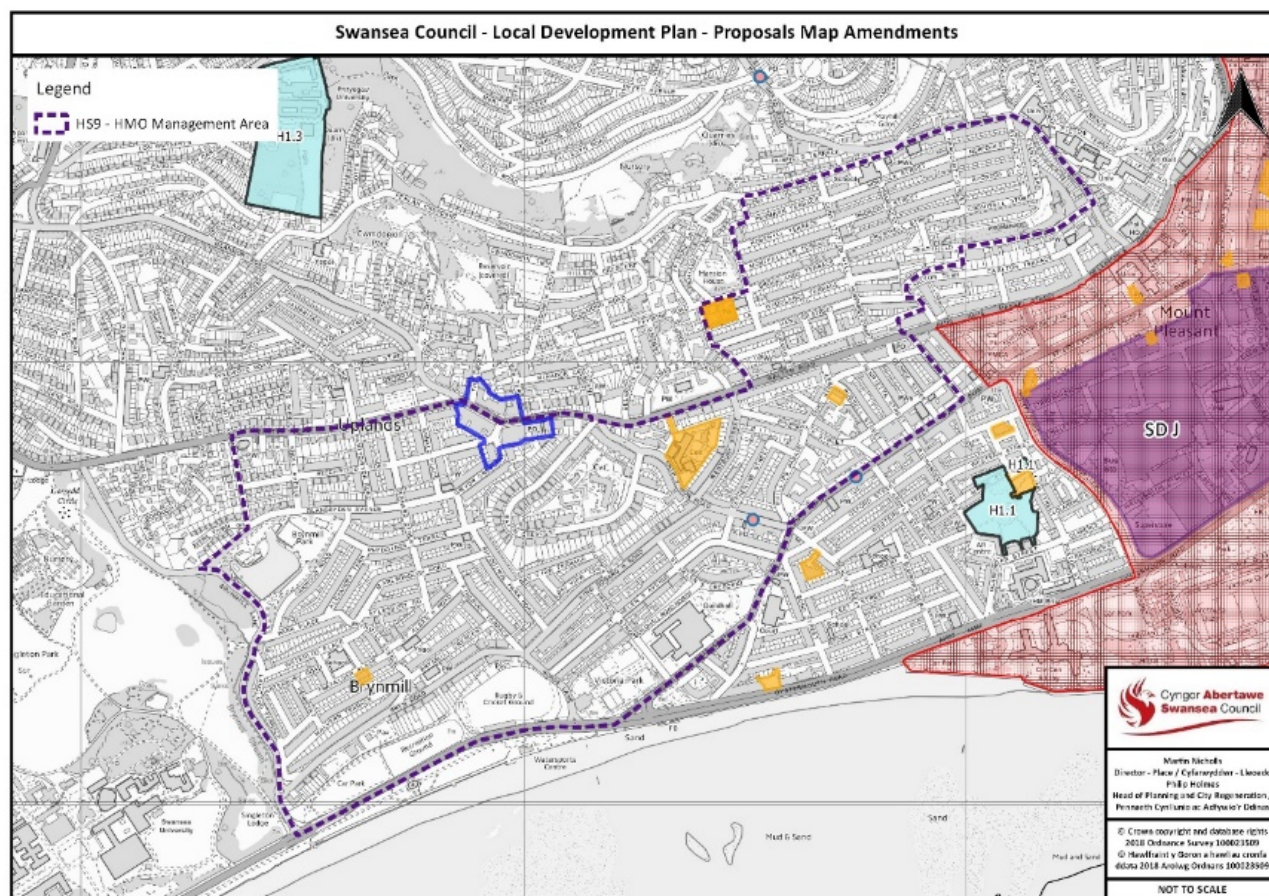
After



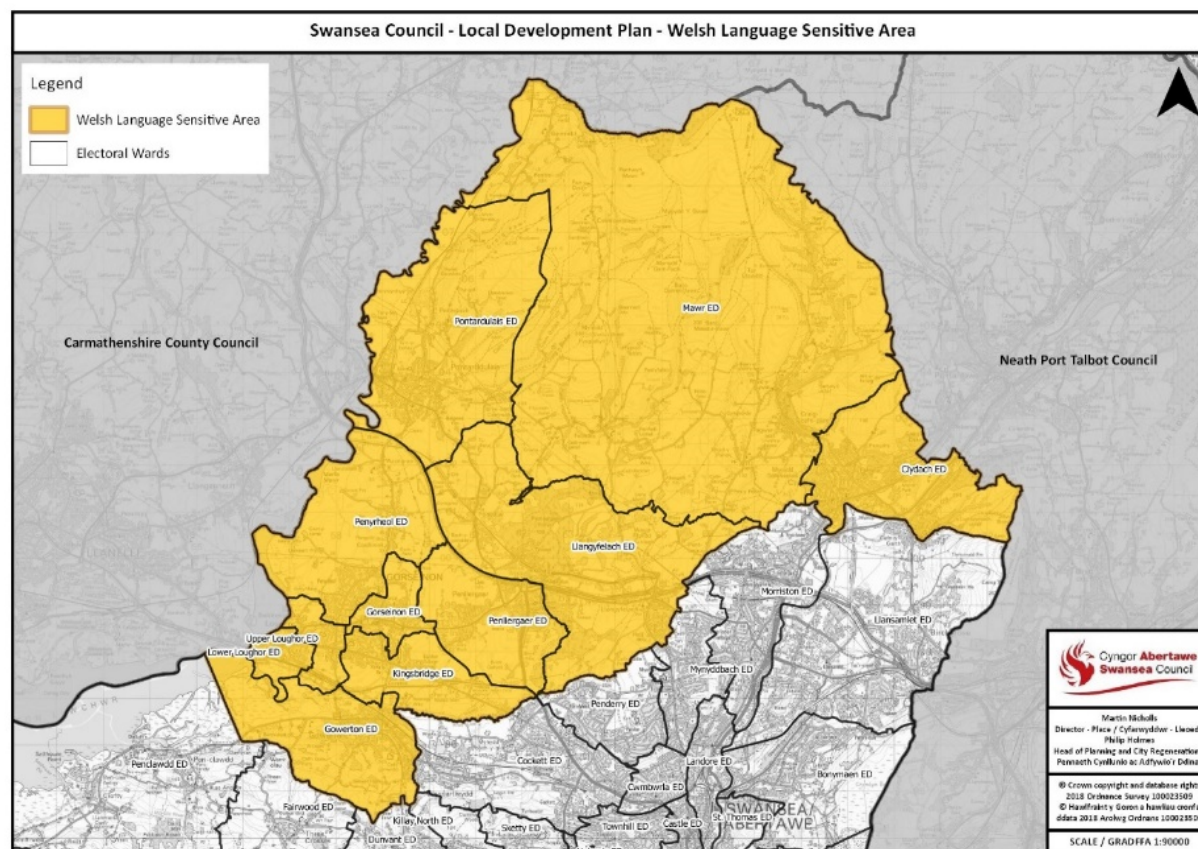
After



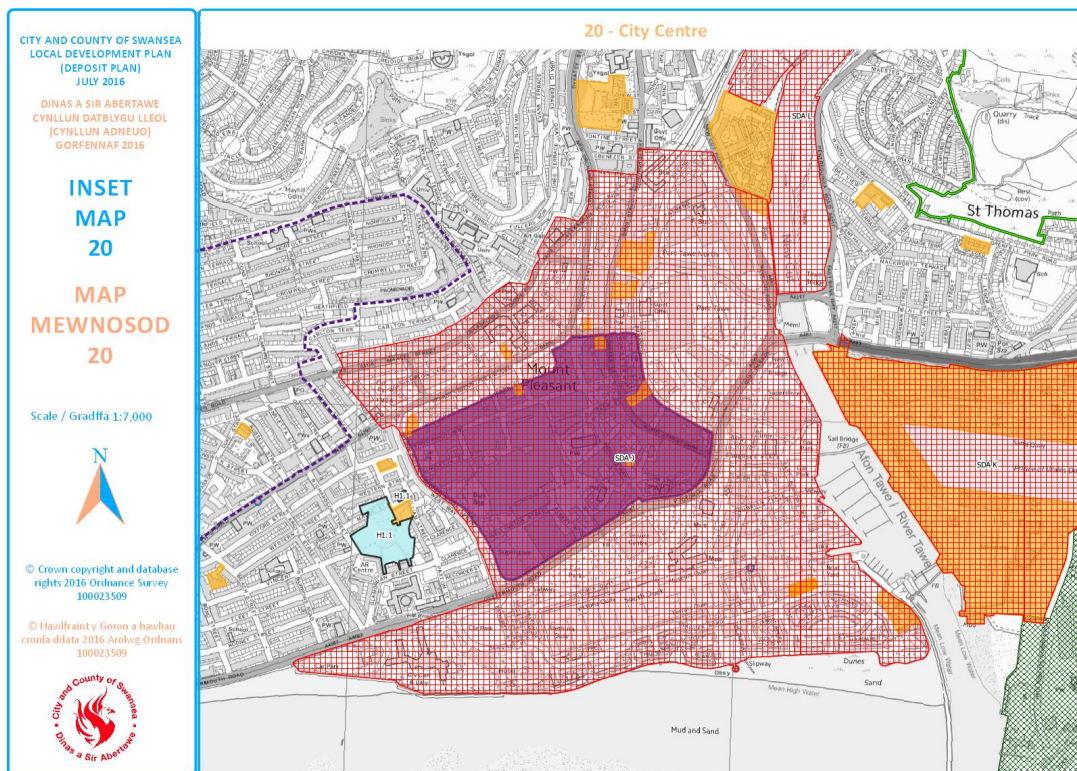
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 338	Proposals Map H 9	ED070 Council AP Statement arising from HS13 HMOs and Conversions	Amend Proposals Map to show HMO Management Area



MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 339	Proposals Map HC 3	ED027 HS 12-SWANSEA - Welsh Language	Add Welsh Language Sensitive Area boundary to Proposals Map Amend boundary of Welsh Language Sensitive Area to include Clydach Ward

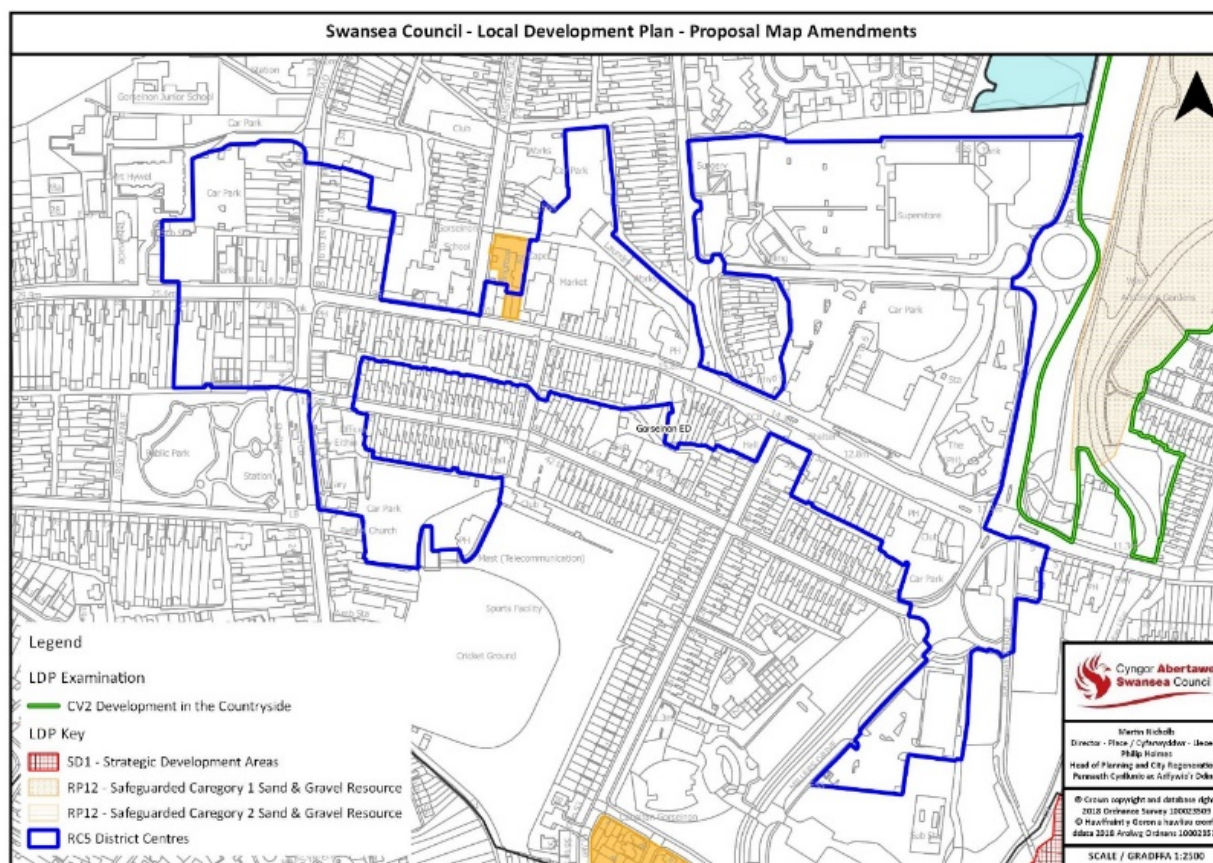


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 340	Proposals Map RC 4: Swansea Central Area – Complementary Area	HS 12 SWANSEA SD J ED021 HS 9-Swansea Retail and Leisure	Amended SDA J Boundary as per Action Point ## and the creation of a new inset map (Inset Map 20) to provide greater clarity.



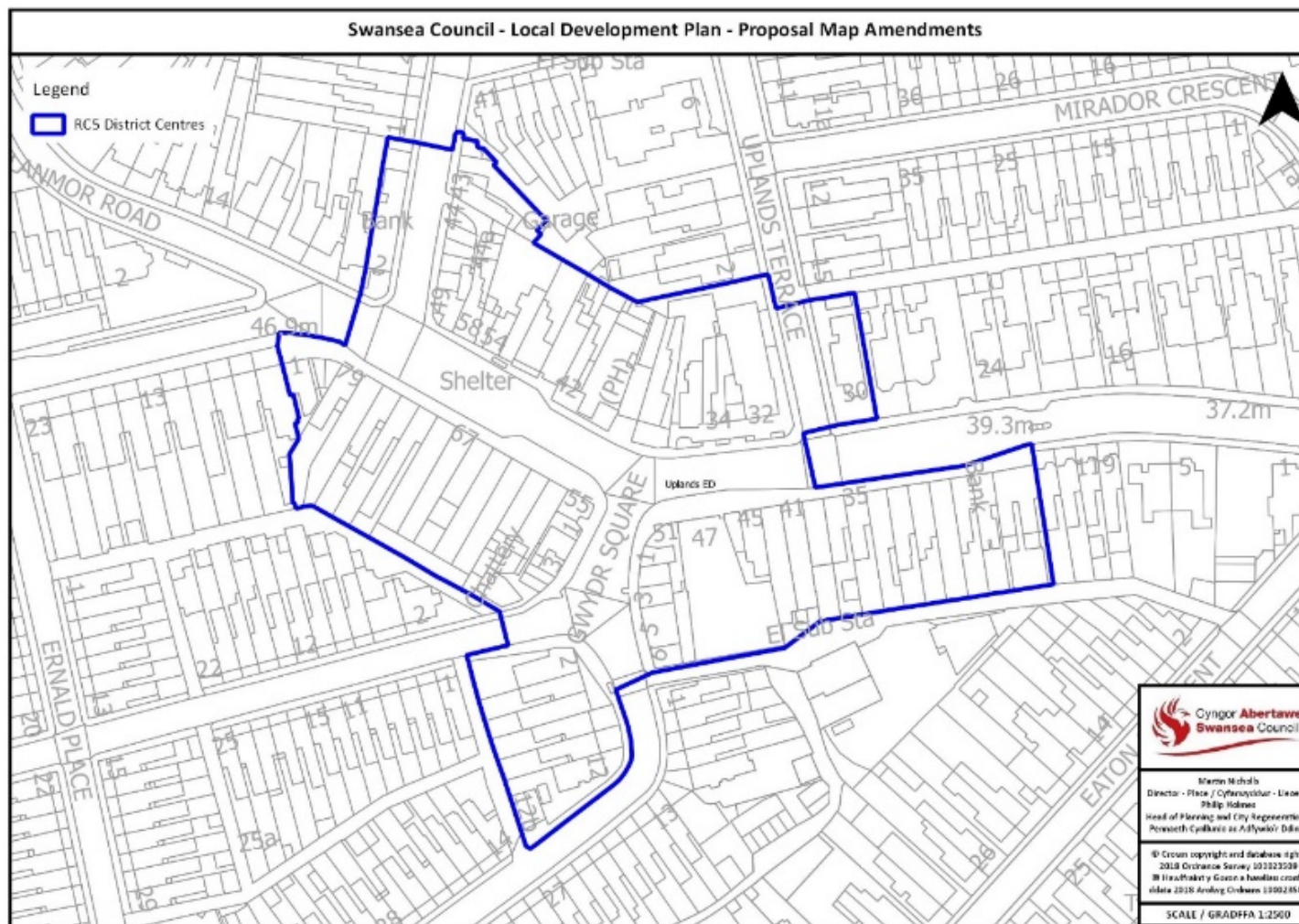
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 341	Proposals Map RC 5: District Centres	ED021 HS 9-Swansea Retail and Leisure	Amend Proposals Map to show accurate boundary for Gorseinon District Centre and Uplands District Centre

Gorseinon District Centre

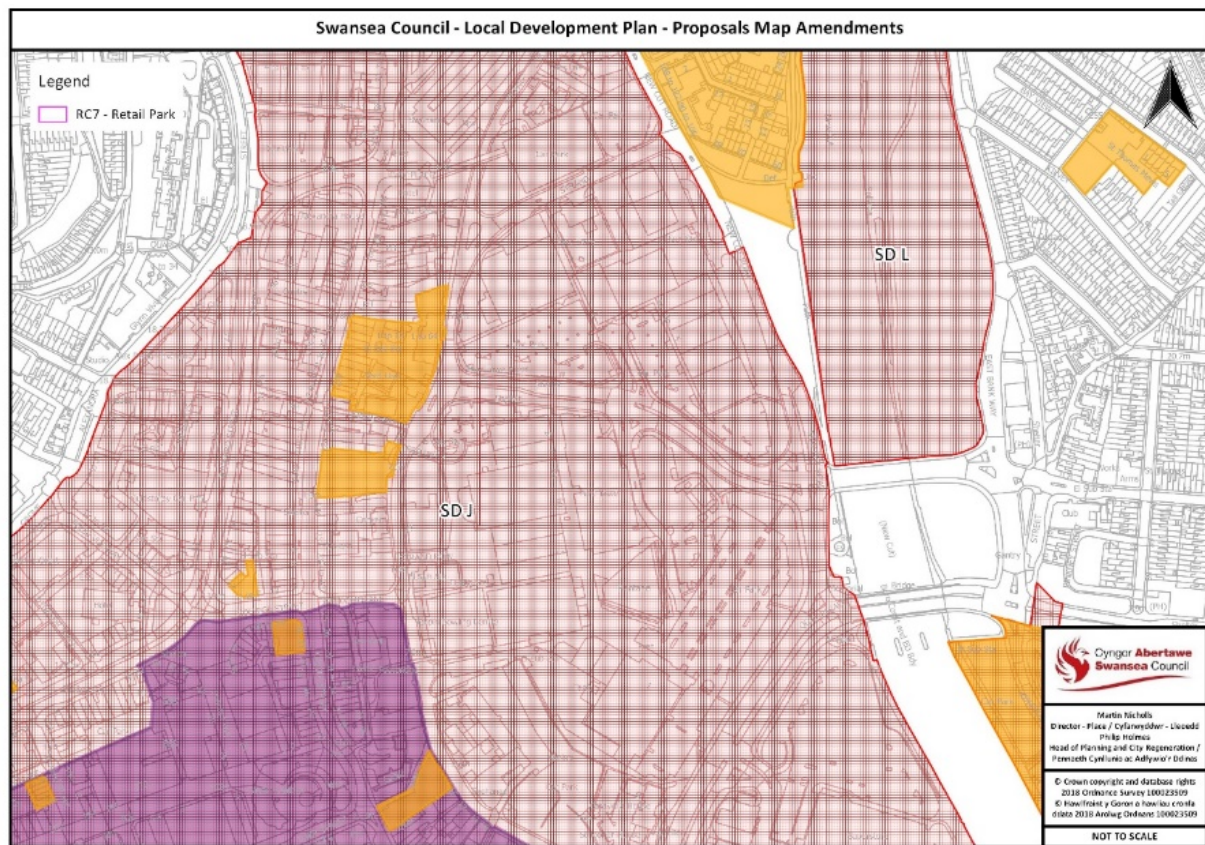


MAC 341 continued...

Uplands District Centre

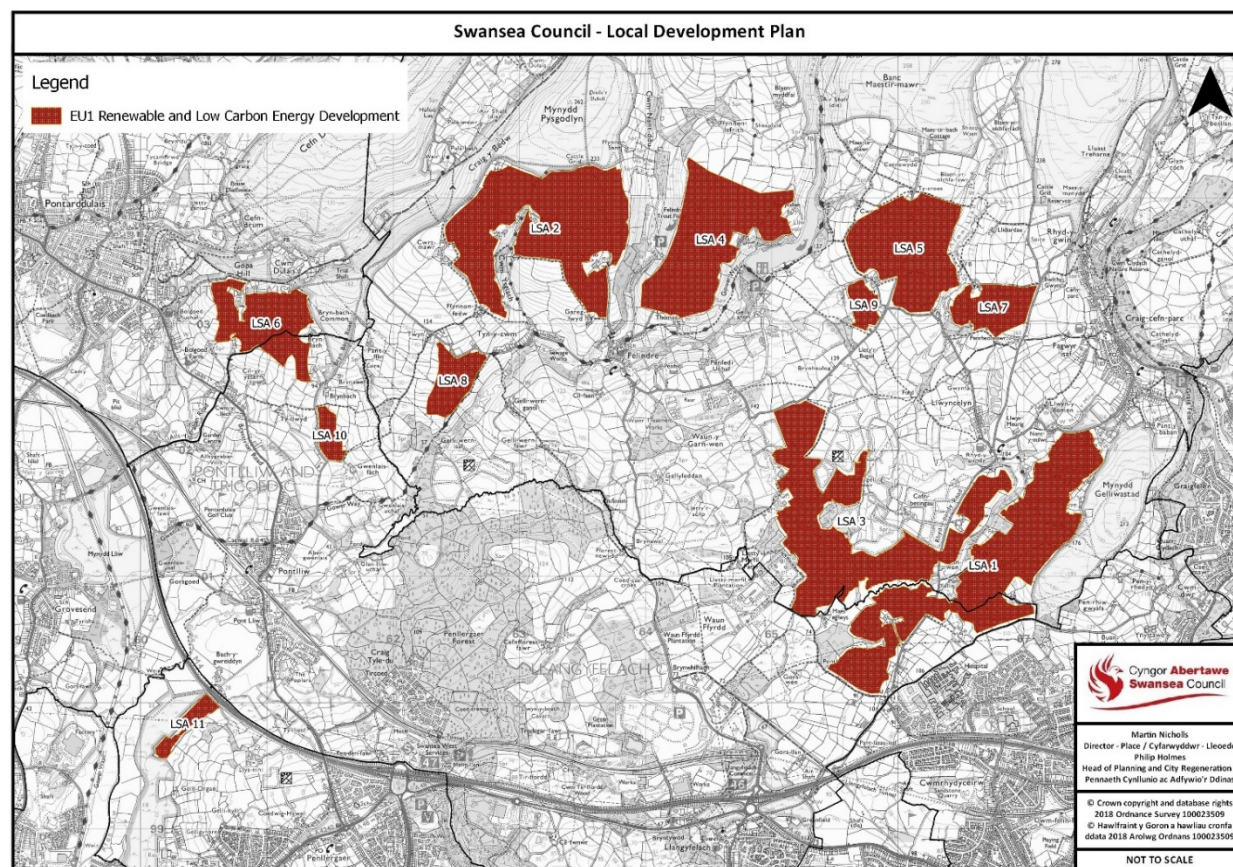


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 342	Proposals Map RC 7	ED039 Council Statement arising from HS 9 Retailing AP9.7	Removal Parc Tawe boundary from Proposals Map to reflect change in Policy RC 7

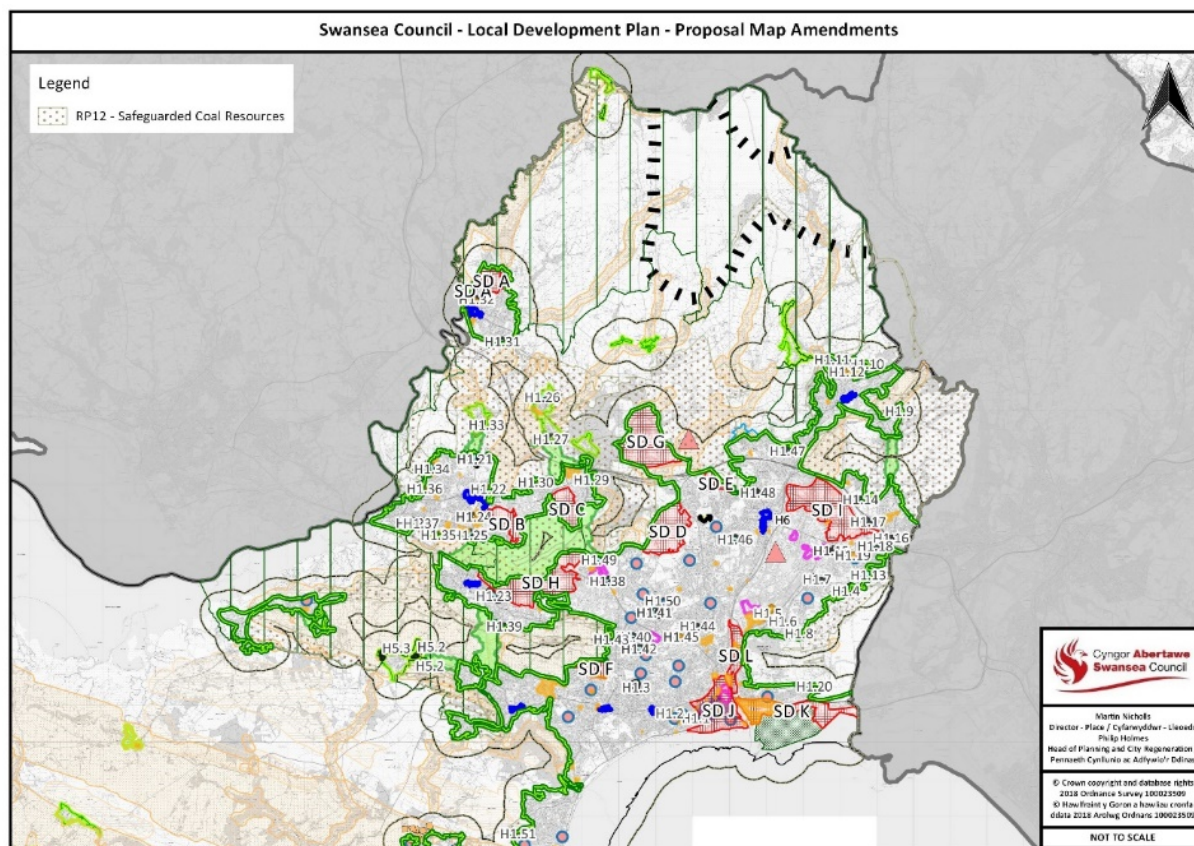


MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 343	Proposals Map T 9: Port and Docks	ED027 HS 11-SWANSEA - Transport	Amend Policy Index and Proposals Map Legend to correctly refer to Policy T 9 as “T 9 Port and Docks”

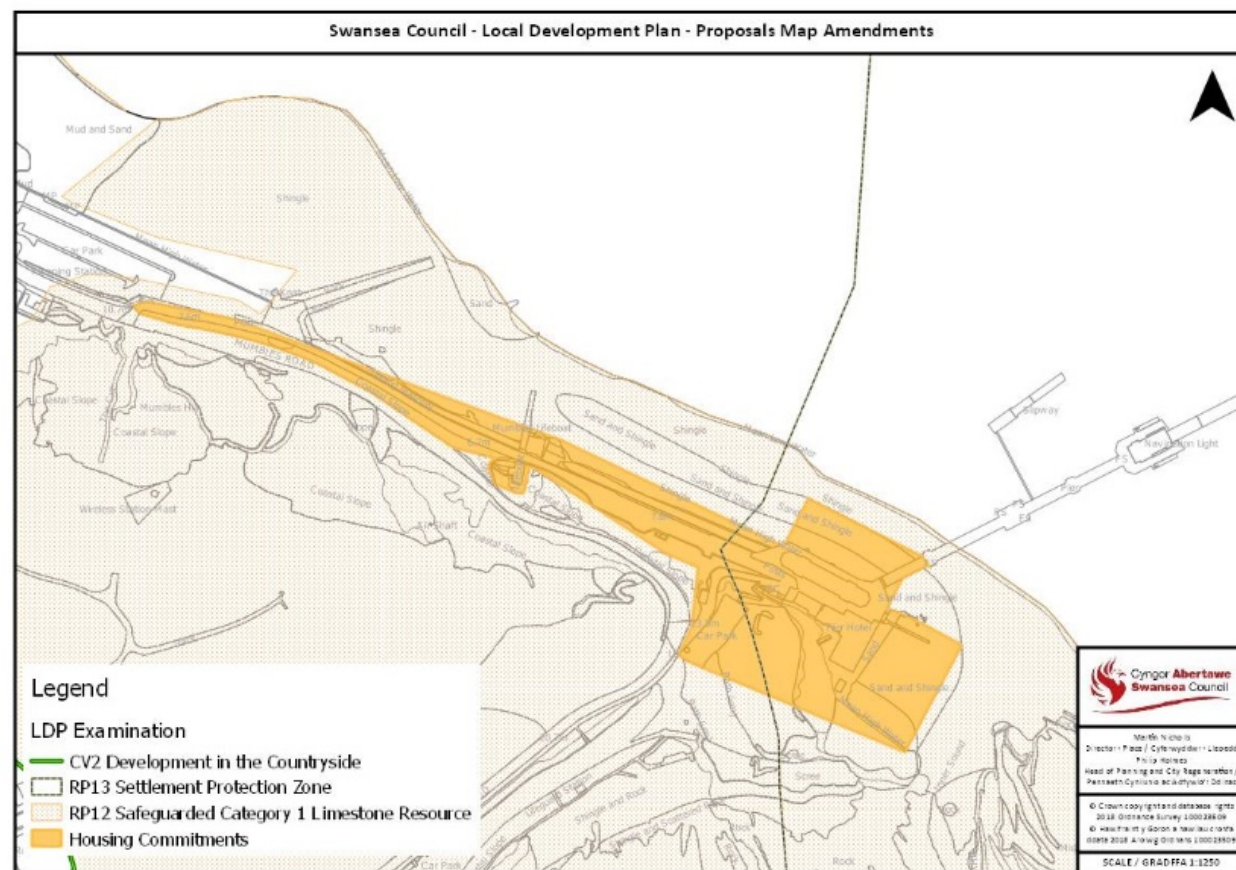
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 344	Proposals Map EU 1	ED027 HS 14-SWANSEA - Energy AP14.5	Show refined LSA boundaries on Proposal Map



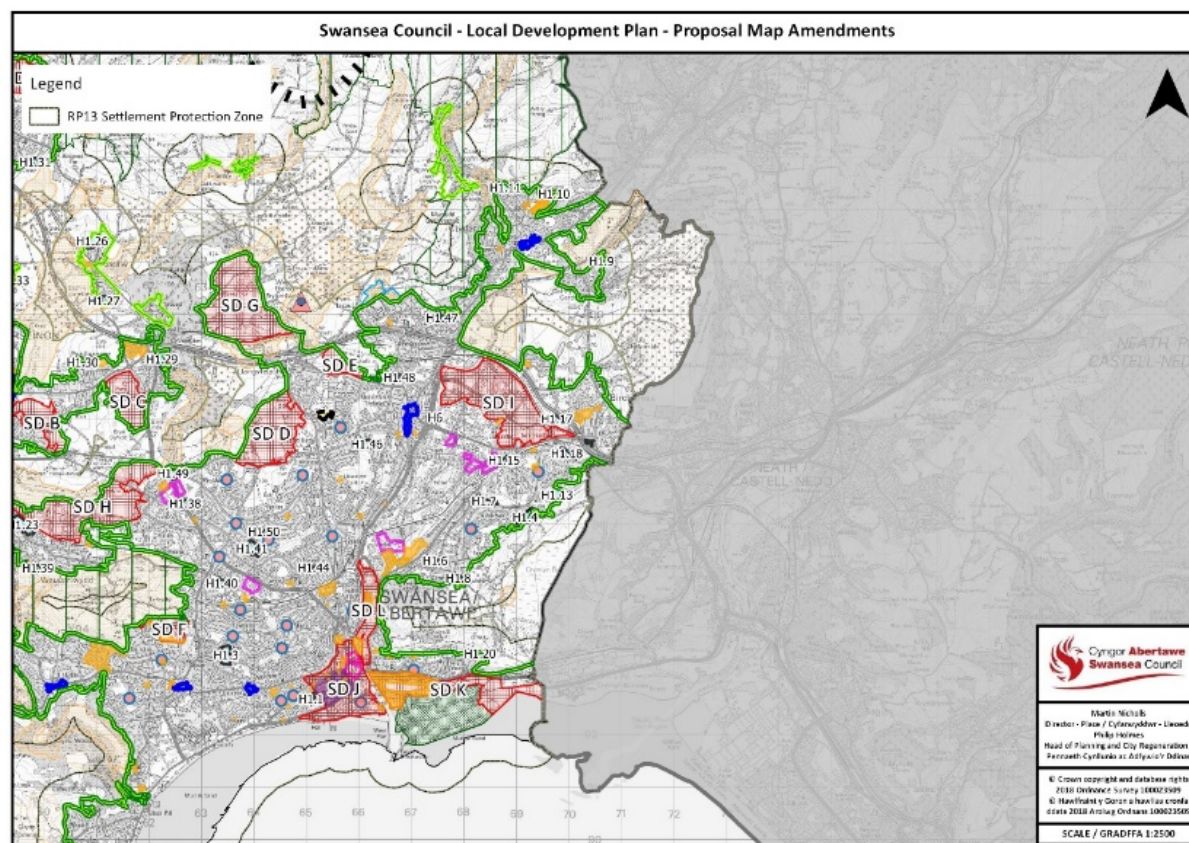
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 346	Proposals Map RP 13	ED063 Council Statement arising from HS 14 - Minerals AP14.8	Extend safeguarded coal operation boundaries to settlement and village boundaries



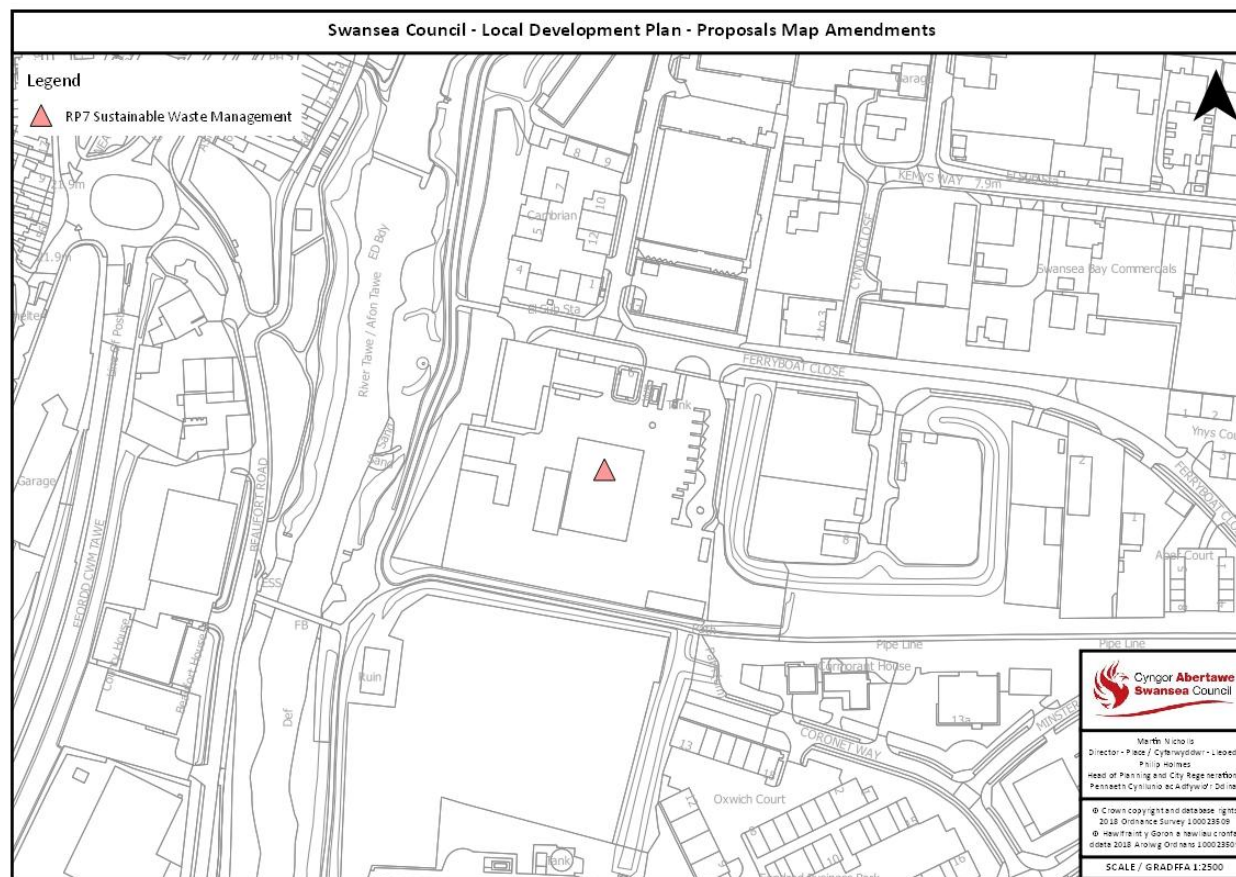
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 347	Proposals Map RP 12	ED027 HS 14-SWANSEA - Minerals	Remove RP 12 shading committed site from Proposals Map



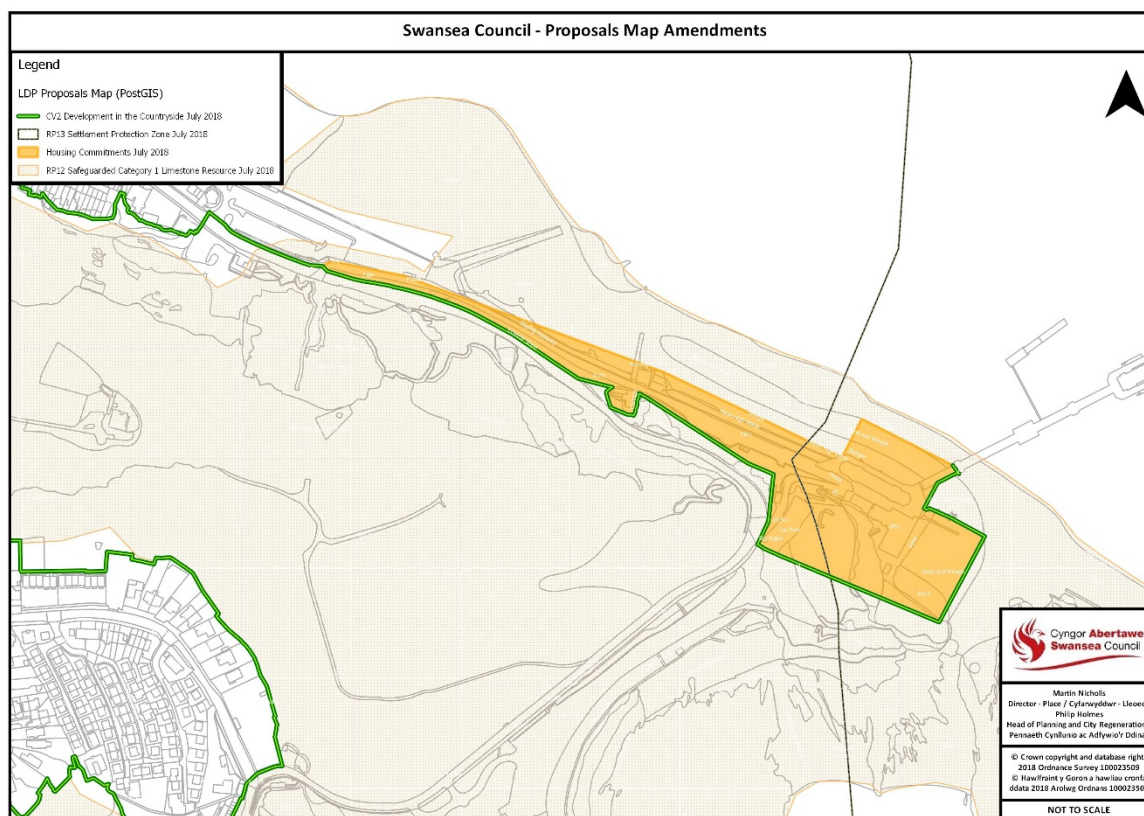
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 348	Proposals Map RP 13: Surface Coal Operations	ED063 Council Statement arising from HS 14 - Minerals	Remove Settlement Protection Zone within neighbouring Authority from Proposals Map



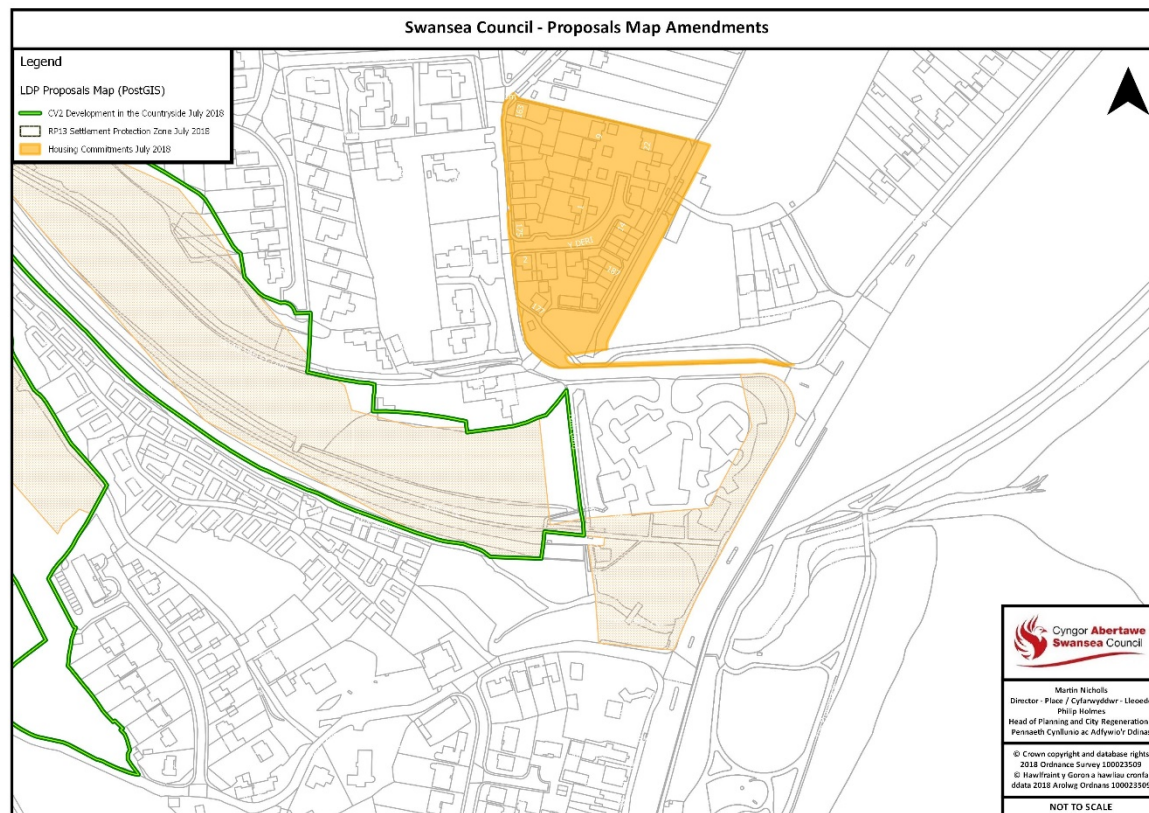
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 349	Proposals Map RP 1	ED027 HS 14-SWANSEA - Waste	Amend Proposals Map to show the Bailing Plant as preferred area for waste.



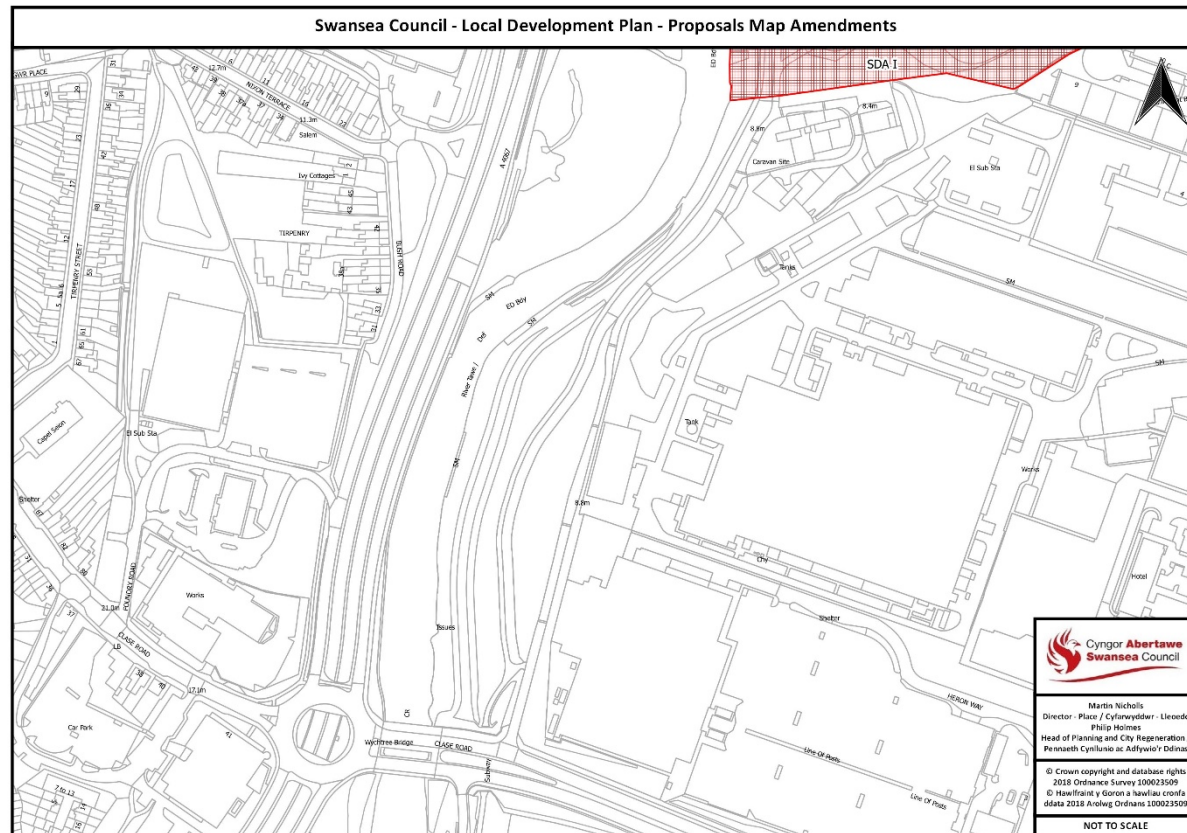
MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 350	Proposals Map CV2: Development in the Countryside	LDP20 Schedule of Non-Substantive Amendments NSA119	A factual update to extend the settlement boundary at Mumbles to include the entire Mumbles Pier development site, which benefits from planning permission.



MAC No.	Deposit Policy/ Para No.	AP or Other Source	Proposed Change
MAC 351	Proposals Map CV2: Development in the Countryside	EB023a Settlement Boundary Review 2016 Appendix 2 (Updated) MYBC014	Amend proposals map to correct a draughting error to include Clyne car park within the settlement.



After



Appendix C: Schedule of housing sites and Strategic Development Areas

Housing Sites

Site	Ref	Estimated Units in Plan Period 2010-25
Former Vetch Field (Phase 2), Glamorgan Street, Swansea	H1.01	40
Llwyn y Bryn Campus, Walter Road, Swansea	H1.02	200
Townhill Campus, Townhill Road, Townhill	H1.03	150
Land between Bog Road and Cefn Hengoed Road, Llansamlet	H1.04	70
Land at Upper Bank, Pentrechwth	H1.05	131
Land at Jersey Road opposite numbers 16-38, Pentrechwyth	H1.06	20
Land at rear of 17-93 Carmel Road, Winch Wen	H1.07	65
Land at Ty Draw Road and Llanerch Road, Bonymaen	H1.08	55
Land at Northern End of Graigola Road, Glais	H1.09	25
Land at Tanycoed Road, Clydach	H1.10	20
Land at Ramsey Road, Clydach	H1.11	60
Talycoppa Farm, Llansamlet	H1.12	150
Land at Midland Place, Llansamlet	H1.13	30
Heol Ddu Farm, Birchgrove	H1.14	10
Gwernllwynchwyth House, Llansamlet	H1.15	50
Land at Frederick Place, Llansamlet	H1.16	20
Former Four Seasons Club, Trallwn	H1.17	30
Land at David Williams Terrace, Port Tennant	H1.18	15
Land east of Pontarddulais Road, Gorseinon	H1.19	90
Parc Melin Mynach, Gorseinon	H1.20	25
Former Cefn Gorwydd Colliery, Gorwydd Road, Gowerton	H1.21	90
Land at West Street, Gorseinon	H1.22	20
Land at Carmel Road and Bryntirion Road, Pontlliw	H1.23	100

Site	Ref	Estimated Units in Plan Period 2010-25
Land at the Poplars, Pontlliw	H1.24	15
Beili Glas, Glebe Road, Loughor	H1.25	60
Land at Former Penllergaer Civic Offices, Penllergaer	H1.26	80
Land north of Llewellyn Road, Penllergaer	H1.27	50
Remainder at Land East of Bolgoed Brickworks, Bolgoed Road, Pontarddulais	H1.28	50
Land east of Carreg Teilo, Pontarddulais	H1.29	30
Land at Tyrisha Farm, Grovesend	H1.30	45
Land off Brynafon Road and Gower View Road, Penyrheol	H1.31	225
South Of Glebe Road, Loughor	H1.32	130
Former Walkers Factory, Pontarddulais Road, Cadle	H1.33	100
Land adjacent to 114 Brithwen Road, Waunarlwydd	H1.34	15
Land adjacent to Cockett Pond	H1.35	50
Penrhos Place, Gendros	H1.36	60
Manselton Primary School, Manor Road, Manselton	H1.37	30
Land at Mynydd Garnllwyd Road, Morriston	H1.38	95
Land at rear of Glyncollen Primary School, Morriston	H1.39	35
Brayley Road, Morriston	H1.40	15
Land at Cadle, Fforestfach	H1.41	50
Land between Eppynt Road and Bettws Road, Penlan	H1.42	10
Total Number of Homes across all H1 Sites	-	2611

Strategic Development Areas (SDAs)

Ref	Strategic Housing Policy Zone	Site Name	Estimated Units in Plan Period 2010-25	Estimated Residual Capacity after Plan Period >2025
Residential led SDAs				
A	GNW	South of Glanffrwd Road, Pontarddulais	486	234
B	GNW	North of Garden Village	700	50
C	GNW	South of A4240, Penllergaer	644	206
D	North	West of Llangyfelach Road, Penderry	1,088	862
E	North	North of Clasemont Road, Morriston	490	110
F	West	Cefn Coed Hospital, Cockett	371	56
Total no of homes for residential led SDAs			3,779	1,518
Mixed Use SDAs				
G	GNW	Northwest of M4 J46, Llangyfelach	565	235
H	North	North of Waunarlwydd/Fforestfach	716	603
I	East	Swansea Vale	410	40
J	Central	Central Area and City Waterfront	856	50
K	East	Fabian Way Corridor	525	0
L	Central	Tawe Riverside Corridor and Hafod Morfa Copper Works	258	112
Total no. of homes for Mixed Use SDAs			3,330	1,040
Total no. of homes across all SDAs			7,109	2,558

Total Number of Housing Units Planned For in LDP by Components of Supply

Component	Number of units
<u>Commitments</u>	<u>Housing already built = 3,630</u> <u>Extant planning permissions = 2,203</u>
<u>Allocations</u>	<u>H1 sites = 2,611</u> <u>H5 sites = 210</u> <u>SD sites = 7,109</u>
<u>Windfall</u>	<u>Large sites = 858</u> <u>Small sites = 1,024</u>
<u>Total Provision</u>	<u>17,645</u>
<u>Requirement</u>	<u>15,600</u>
<u>Flexibility</u>	<u>2,045 (13%)</u>

Notes:

Base date of the 'commitments' information is 1st April 2017

End date of the Plan 31st December 2025

Appendix D: Impact on supply of Affordable Housing if Inspectors' Suggested Changes to LDP Policy on Affordable Housing Targets (as set out in Examination Document ED089) are Imposed

Components		Number of delivered/ forecasted affordable units 2010-25	
		Amount of Affordable Housing based on Deposit LDP Targets	Amount of Affordable Housing based on Inspectors' Proposed LDP Targets*
Commitments	Housing built	690	690
	Extant planning permissions	533	533
	Total commitments	1,223	1,223
Allocations	H 1 sites	462	328
	H 5 sites	107	107
	SD sites	1,343	1,299
	Total allocations	1,912	1,734
Windfall	Large sites	195	181
	Small sites	161	148
	Total Windfall	356	329
Total supply		3,491	3,286

**Inspectors' Suggested Policy Target Changes in Exam Doc ED089:*

- Swansea North 5%
- Swansea East 10%
- Greater North West Swansea - 15%

Agenda Item 15.



Report of the Head of Democratic Services

Council - 25 October 2018

Nomination of Lord Mayor and Deputy Lord Mayor Elect 2019-2020

Purpose:	To nominate the Lord Mayor elect and Deputy Lord Mayor elect for 2019-2020 to enable the arrangements for the Inauguration of the Lord Mayor and Deputy Lord Mayor event to proceed.
Policy Framework:	Lord Mayor and Deputy Lord Mayor Protocol.
Consultation:	Political Group Leaders and their Deputies, Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: 1) Councillor Peter M Black be nominated Lord Mayor Elect 2019-2020; 2) Councillor Mark C Child be nominated Deputy Lord Mayor Elect 2019-2020.
Report Author:	Huw Evans
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The Lord Mayor and Deputy Lord Mayor Protocol (adopted by Council on 20 April 2017) sets out the procedure to be followed when nominating a Lord Mayor and Deputy Lord Mayor. The Protocol is attached as **Appendix 1**.

2. Deferment of Term of Office

- 2.1 Councillor P Lloyd was scheduled to be considered for the role of Deputy Lord Mayor 2019-2020 in line with the Seniority List; however he has asked for his Term of Office to be deferred for an unspecified length of time.

- 2.2 Councillor P Lloyd will therefore not be considered for the role at this time; however he understands he can ask to be reconsidered at any time. Should he ask to be reinstated, he will be replaced back on the Seniority List in accordance with his seniority. The Protocol states that he “shall follow the next person in line to be Deputy Lord Mayor but shall not be permitted to replace the next person in line if the period until the next selection is less than 6 months”.

3. Two or more Councillors have Exactly the Same Length of Service

- 3.1 Section 4 of the Protocol, sets out the Councillors Total Length of Service and includes a paragraph on the process to be followed if 2 or more Councillors have exactly the same length of service.
- 3.2 Councillors Mark C Child, A Mike Day, Mary H Jones and L Graham Thomas, all have exactly the same length of service. The Head of Democratic Services confirmed that each of the 4 candidates meet the criteria and that the Political Group Leaders and their Deputies have unanimously agreed that all 4 candidates are appropriate to hold the Office of Lord Mayor / Deputy Lord Mayor.
- 3.2 On 20 September 2018, the Head of Democratic Services drew lots in order to establish the order that each of the aforementioned Councillors will be considered for the role of Lord Mayor / Deputy Lord Mayor. The outcome of the draw being:
- i) Councillor M C Child;
 - ii) Councillor M H Jones;
 - iii) Councillor A M Day;
 - iv) Councillor L G Thomas.

4. Nominations

- 4.1 In line with the Protocol, the Head of Democratic Services sent an e-mail to the Political Group Leaders and their Deputies informing them that the candidates for the posts of Lord Mayor and Deputy Lord Mayor Elect 2019-2020 met the criteria for nomination as outlined within the Protocol.
- 4.2 The candidates being:
- Councillor Peter M Black (To become Lord Mayor 2019-2020);
Councillor Mark C Child (To become Deputy Lord Mayor 2019-2020).
- 4.3 The e-mail asked the Political Group Leaders and their Deputies to consider whether these candidates are considered appropriate for the roles. The Appropriateness Test is set out within the Protocol.
- 4.4 There was a unanimous decision that both candidates met the appropriateness test and were therefore appropriate to undertake the roles.

5. Equality and Engagement Implications

5.1 There are no equality or engagement implications associated with this report.

6. Financial Implications

6.1 There are no financial implications associated with this report.

7. Legal Implications

7.1 There are no legal implications associated with this report.

Background Papers: None.

Appendices:

Appendix 1 Lord Mayor and Deputy Lord Mayor Protocol

Lord Mayor and Deputy Lord Mayor Protocol

1. Introduction

- 1.1 On 22 March 1982, HM Queen Elizabeth II graciously granted to the City of Swansea letters patent which elevated the status of the Mayor to that of Lord Mayor. The Unitary Authority of the City and County of Swansea which came into being on 1 April 1996 was successful in having both the City and Lord Mayor status re-bestowed on 29 March 1996.

- 1.2 The actual wording of the letters patent is shown below:

“Elizabeth the Second by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of our other Realms and Territories Queen Head of the Commonwealth Defender of the Faith To all to whom these presents shall come, Greeting. Know ye that our will and pleasure is and We do hereby declare and ordain that from and after the date of these presents the Mayor of the City of Swansea and his successors in office shall be styled entitled and called LORD MAYOR OF SWANSEA And we do hereby authorise and empower the Mayor of the City of Swansea and his successors in office henceforth at all times to assume and use and to be called and to be named by the style title and appellation of Lord Mayor of Swansea and to enjoy and use all and singular the rights privileges and advantages to the degree of a Lord Mayor in all things duly and or right belonging. In witness whereof we have caused these our letters to be made patent. Witness Ourself at Westminster the twenty second day of March in the thirty first year of our reign”.

- 1.3 The Lord Mayor and Deputy Lord Mayor Protocol aims to cover all aspects relating to the eligibility, nomination and behaviour of the Lord Mayor / Deputy Lord Mayor.
- 1.4 A “Civic Protocols and Guidance” document is provided to each Lord Mayor / Deputy Lord Mayor. The document is provided by the Lord Mayor’s Office and is maintained by the Civic and Corporate Marketing Manager.

2. Eligibility to be Lord Mayor / Deputy Lord Mayor

- 2.1 For the period that a person is elected as Lord Mayor / Deputy Lord Mayor, they must remain a Councillor of the City and County of Swansea.
- 2.2 From the moment that the person ceases to be a Councillor of the City and County of Swansea, they automatically also cease to be the Lord Mayor / Deputy Lord Mayor.
- 2.3 If the existing Lord Mayor / Deputy Lord Mayor is suspended or partially suspended from being a Councillor by the Standards Committee, Public Services Ombudsman for Wales and / or Adjudication Panel for Wales they shall not conduct any Lord Mayor / Deputy Lord Mayor duties.

3. Criteria for the Nomination of Lord Mayor and Deputy Lord Mayor

3.1 Councillors MUST satisfy the following **criteria** prior to being nominated as Deputy Lord Mayor / Lord Mayor:

- i) Candidates for the position of Lord Mayor and Deputy Lord Mayor must be serving members of the Council and have the longest total length of service (**Appendix A1**).

Note: If the Candidate is suspended or partially suspended from being a Councillor then they do not meet the criteria at that point in time.

3.2 The Head of Democratic Services shall inform the Political Group Leaders and their Deputies via e-mail whether the candidate(s) meet the criteria.

4. Councillors Total Length of Service

4.1 Councillors shall be elected to the position of Deputy Lord Mayor and Lord Mayor based on their total length of service with the City and County of Swansea Council and its predecessor Authorities. **Appendix A1** (The List) highlights the “Councillors Total Length of Service with the City and County of Swansea and each of its predecessor Authorities” (As at Date Printed on **Appendix A1**).

4.2 Simultaneous service on more than one of the City and County of Swansea Council’s predecessor Authorities will count as one period of service i.e. If a Councillor was an Elected Member with Lliw Valley Borough Council and West Glamorgan County Council during 1990-1994, only 4 years would be counted towards the Councillors total length of service during that time.

4.3 If a Councillor has broken service with the City and County of Swansea Council or any of its predecessor Authorities, then the time of each of the periods of service will be added together in order to establish the total length of service. For details of a Councillors Period(s) of Service with the City and County of Swansea and its predecessor Authorities, please refer to www.swansea.gov.uk/councillors

4.4 If a Councillor has accrued service with another Authority, then that time will not be counted, as the time has not been spent representing the people of the City and County of Swansea Council.

4.5 A Councillor shall be honoured with the title Deputy Lord Mayor / Lord Mayor once.

4.6 If two or more Councillors have exactly the same length of service, then the nomination will be determined as follows:

- i) Between the Councillors involved;
- ii) The drawing of lots between the Councillors involved.

5. Procedure for the Nomination of Lord Mayor and Deputy Lord Mayor

5.1 Once a Councillor has been deemed to meet the criteria to be nominated Lord Mayor / Deputy Lord Mayor; the procedure is as follows:

- i) Head of Democratic Services to consult with Political Group Leaders and their Deputies (all of whom have a vote) via email to determine whether the candidate(s) are appropriate. Whether a candidate is appropriate is to be decided on an individual basis. Considerations may include whether a candidate has been found in breach of the Code of Conduct, whether the breach was a serious breach and what sanction, if any, was imposed. Other considerations include whether the Councillor has been found guilty or pleaded guilty to a serious criminal offence;
- ii) If **unanimous decision** that the candidate(s) are appropriate, and a report be presented to Council;
- iii) If there is **not a unanimous decision** then a meeting of the Constitution Working Group (CWG) shall be convened. CWG will consider the appropriateness of the candidate(s) and decide what action to take based on the Protocol.

6. Appropriateness Test

- 6.1 The Appropriateness Test seeks to determine the appropriateness of candidate(s) nominated for the role of Deputy Lord Mayor and Lord Mayor. It is a measure of their appropriateness at a current point in time. Questions by the Constitution Working Group may include whether the candidate(s) is subject to any investigation by the Public Services Ombudsman for Wales in relation to any breach of the Code of Conduct, any sanctions imposed, any court proceedings or any other matter they consider relevant.
- 6.2 Depending on outcome of paragraph 6.1 above, the Constitution Working Group may hear representations from the candidate prior to making any final decision.
- 6.3 The powers of the Public Services Ombudsman for Wales and the Adjudication Panel for Wales are outlined in **Appendix B1** to this report.
- 6.4 If a candidate is considered not appropriate for the role of either Lord Mayor or Deputy Lord Mayor they will be replaced on “the list” in accordance with their seniority and will be subject to the Appropriateness Test at the following round of Lord Mayor / Deputy Lord Mayor nominations.

7. Constitution Working Group Report to Council

- 7.1 The Constitution Working Group shall present a report to Council recommending the appropriate candidate(s) for the role of Deputy Lord Mayor / Lord Mayor to Council. The report shall nominate one Councillor for the role of Deputy Lord Mayor and one Councillor for the role of Lord Mayor.
- 7.2 In the year of a **Local Government Election**, there will be a third and fourth recommendation seeking a resolution to name the next 5 Councillors as being eligible should the initial nominations fail to be re-elected. These additional 5 Councillors shall be appointed in line with the Protocol.
- 7.3 When a Councillor is elected to the position of Deputy Lord Mayor, then that person would become Lord Mayor the following municipal year, subject to the Appropriateness Test.

8. Role of Council

- 8.1 Council will receive the report of the Constitution Working Group regarding nominations for the Deputy Lord Mayor and Lord Mayor. It shall consider whether to accept the recommendations of the Constitution Working Group or not.
- 8.2 In the year of a **Local Government Election**, Council shall also be asked to accept the nominations of the next 5 Councillors under the Protocol in order to have an automatic fall-back position should the initial nominations fail to be re-elected. The automatic fall-back would mean that the next eligible Councillor who had been subjected to and passed the appropriateness test by the Constitution Working Group would be elected to the position of Lord Mayor / Deputy Lord Mayor as necessary.
- 8.3 Should Council not accept the recommendations of the Constitution Working Group, then the matter should be deferred to either the next Ordinary meeting of Council or to an Extraordinary meeting of Council in order for the appropriateness test to be considered for the next Councillor in line based on length of service by the Constitution Working Group.

9. Deferment of Term of Office

- 9.1 A Councillor may request that their term of Office be deferred for any length of time or even an unspecified length of time. However such a request must gain the support of the majority of the Political Group Leaders. In the event of a tie, then the Constitution Working Group will consider the matter.
- 9.2 Once a Councillor has completed their deferment they will be replaced back on the Seniority List in accordance with their seniority. They shall follow the next person in line to be Deputy Lord Mayor but shall not be permitted to replace the next person in line if the period until the next selection is less than 6 months.

10. Title and Chain of Office of Lady Mayoress / Lord Mayor's consort / Deputy Lady Mayoress / Deputy Lord Mayor's Consort

- 10.1 The Title and Chain of Office of Lady Mayoress / Lord Mayor's consort / Deputy Lady Mayoress / Deputy Lord Mayor's Consort is conferred at the Ceremonial Meeting of Council on an annual basis.
- 10.2 Any other person may accompany the Lord Mayor / Deputy Lord Mayor to any civic engagement to which the same courtesies and precedence would be extended, however, the Chain of Office may not be worn.

11. Behaviour of Lord Mayor / Deputy Lord Mayor during their Term of Office

- 11.1 Should the behaviour of the Lord Mayor / Deputy Lord Mayor be brought into question during their term of office, then the behaviour should be reported to the Chief Executive, the Monitoring Officer, the Head of Democratic Services and the relevant Political Group Leader.
- 11.2 However, if the alleged behaviour may lead to any investigation by the Public Services Ombudsman for Wales in relation to any breach of the Code of Conduct, any sanctions imposed, any court proceedings or any other matter considered relevant then the complainant should refer the matter to the Public Services Ombudsman for Wales or Police as appropriate.
- 11.3 The allegation will be passed to the Constitution Working Group for them to consider whether it requires any immediate action to be taken. The Group should consider the point that people are presumed innocent and should not make any decision to impede that basis of law. However, the CWG may determine any appropriate sanction based on the Appropriateness Test following the outcome of the Ombudsman's or Police investigation (if any).

12. Suspension from Office as a Councillor

- 12.1 Should a Councillor be suspended from the Office of Councillor for a period of time following a breach of the Councillors Code of Conduct, the following actions are to be followed:
- i) A suspended, partially suspended or disqualified Councillor would no longer meet the criteria to be Lord Mayor / Deputy Lord Mayor and would therefore automatically relinquish that Office.
 - ii) The issue shall also be automatically referred to the Constitution Working Group for it to consider whether to appoint a new Lord Mayor, Deputy Lord Mayor etc.

13. Behaviour of Lord Mayor's Consort, / Deputy Lord Mayor's Consort, Lady Mayoress / Deputy Lady Mayoress during their Term of Office

- 13.1 Should the behaviour of the Lord Mayor's Consort, / Deputy Lord Mayor's Consort, Lady Mayoress / Deputy Lady Mayoress be brought into question during their term of office, then the behaviour should be reported to the Chief Executive, the Monitoring Officer, the Head of Democratic Services and the relevant Political Group Leader.
- 13.2 The allegation(s) will be passed to the Constitution Working Group for them to consider whether it requires any immediate action to be taken. Action could include suspending the individual for a period of time or seeking a Council resolution to remove the individual from Office.

Appendix A1

Councillors Total Length of Service with the City and County of Swansea and each of its predecessor Authorities” (27.09.2018).

Last Name	First Name(s)	Total Time Served	Municipal Year served as LM
Lewis	Richard	45 years, 4 months, 17 days	2010-2011
Thomas	Des	42 years, 10 months, 27 days	1996-1997
Burtonshaw	June	35 years, 4 months, 22 days	2002-2003
Francis-Davies	Robert	35 years, 4 months, 22 days	2001-2002
Holley	Christopher	33 years, 4 months, 25 days	2006-2007
Sullivan	Gareth	31 years, 4 months, 20 days	2008-2009
Hopkins	David	27 years, 4 months, 25 days	2016-2017
Downing	Philip	22 years, 3 months, 26 days	2017-2018
Phillips	David	25 years, 4 months, 21 days	Current Lord Mayor
Black	Peter	34 years, 4 months, 24 days	Current Deputy Lord Mayor
Lloyd	Paul	21 years, 5 months, 30 days	Deferred
Child	Mark	19 years, 4 months, 21 days	
Jones	Mary	19 years, 4 months, 21 days	
Day	Mike	19 years, 4 months, 21 days	
Thomas	Graham	19 years, 4 months, 21 days	
Stewart	Robert	15 years, 4 months, 26 days	
Fitzgerald	Wendy	14 years, 3 months, 17 days	
Hood-Williams	Paxton	14 years, 3 months, 17 days	
Kirchner	Erika	14 years, 3 months, 17 days	
Philpott	Cheryl	14 years, 3 months, 17 days	
May	Peter	11 years, 9 months, 6 days	
Matthews	Penny	11 years, 2 months, 8 days	
Doyle	Ryland	10 years, 4 months, 26 days	
Evans	William	10 years, 4 months, 26 days	
Jones	Jeff	10 years, 4 months, 26 days	
Jones	Sue	10 years, 4 months, 26 days	
Morris	Hazel	10 years, 4 months, 26 days	
Richards	Christine	10 years, 4 months, 26 days	
Smith	Paulette	10 years, 4 months, 26 days	
Jardine	Yvonne	10 years, 3 months, 21 days	
Crouch	Sybil	6 years, 4 months, 24 days	
Curtice	Jan	6 years, 4 months, 24 days	
Davies	Nick	6 years, 4 months, 24 days	
Evans	Mandy	6 years, 4 months, 24 days	
Gordon	Fiona	6 years, 4 months, 24 days	
Hale	Joe	6 years, 4 months, 24 days	
Hennegan	Terry	6 years, 4 months, 24 days	
Hopkins	Beverley	6 years, 4 months, 24 days	
James	Lynda	6 years, 4 months, 24 days	
Lewis	Andrea	6 years, 4 months, 24 days	
Lloyd	Clive	6 years, 4 months, 24 days	
Raynor	Jennifer	6 years, 4 months, 24 days	
Smith	Robert	6 years, 4 months, 24 days	
Tanner	Gloria	6 years, 4 months, 24 days	
Thomas	Mark	6 years, 4 months, 24 days	

Tyler-Lloyd	Linda	6 years, 4 months, 24 days	
Walker	Gordon	6 years, 4 months, 24 days	
Walton	Lesley	6 years, 4 months, 24 days	
White	Mike	6 years, 4 months, 24 days	
Anderson	Cyril	3 years, 4 months, 20 days	
Evans	Ceri	3 years, 4 months, 20 days	
King	Elliot	3 years, 4 months, 20 days	
Lewis	Mike	2 years, 4 months, 22 days	
Durke	Mike	1 years, 4 months, 22 days	
Gallagher	Stephen	1 years, 4 months, 22 days	
Gibbard	Louise	1 years, 4 months, 22 days	
Griffiths	Kevin	1 years, 4 months, 22 days	
Helliwell	David	1 years, 4 months, 22 days	
James	Oliver	1 years, 4 months, 22 days	
Jones	Lyndon	1 years, 4 months, 22 days	
Jones	Peter	1 years, 4 months, 22 days	
Langstone	Myles	1 years, 4 months, 22 days	
Lewis	Wendy	1 years, 4 months, 22 days	
Mann	Irene	1 years, 4 months, 22 days	
Pritchard	Samuel	1 years, 4 months, 22 days	
Pugh	Alyson	1 years, 4 months, 22 days	
Roberts	Kelly	1 years, 4 months, 22 days	
Rowlands	Brigette	1 years, 4 months, 22 days	
Sherwood	Mary	1 years, 4 months, 22 days	
Stevens	Andrew	1 years, 4 months, 22 days	
Sykes	Mo	1 years, 4 months, 22 days	
Thomas	William	1 years, 4 months, 22 days	

**Public Services Ombudsman for Wales and the Adjudication Panel for Wales
Powers**

1. The Public Services Ombudsman for Wales considers complaints that Members of Local Authorities in Wales have broken the Code of Conduct. The Ombudsman investigates such complaints under the provisions of Part III of the Local Government Act 2000 and the relevant Orders made by the National Assembly for Wales under that Act. Where the Ombudsman decides that a complaint should be investigated, there are four findings, set out under Section 69 of the Local Government Act 2000, which the Ombudsman can arrive at:
 - a) That there is no evidence that there has been a breach of the Authority's Code of Conduct;
 - b) That no action needs to be taken in respect of the matters that were subject to the investigation;
 - c) That the matter be referred to the Authority's Monitoring Officer for consideration by the Standards Committee;
 - d) That the matter be referred to the President of the Adjudication Panel for Wales for adjudication by a tribunal (this generally happens in more serious cases).
2. In the circumstances of c) and d) above, the Ombudsman is required to submit the investigation report to the Standards Committee or a Tribunal of the Adjudication Panel for Wales and it is for them to consider the evidence found by the Ombudsman, together with any defence put forward by the Member concerned. It is also for them to determine whether a breach has occurred and, if so, what penalty (if any) should be imposed.
3. The **maximum penalty that a Standards Committee can apply** is suspension for **6 months**. In considering whether the Councillor or Co-opted Member has failed to comply with the relevant Authority's Code of Conduct it may also determine that:
 - i) No action needs to be taken in respect of that failure;
 - ii) The Councillor or Co-opted Member should be censured (A censure takes the form of a public rebuke of the Member concerned);
 - iii) The Councillor or Co-opted Member should be Suspended or Partially Suspended from being a Member of that Authority for a period not exceeding six months.

4. The **maximum that a Tribunal of the Adjudication Panel for Wales can determine** is **5 years'** disqualification from office. The Tribunal may:
 - i) Suspend or Partially Suspend a person from being a Councillor or Co-opted Member of the Relevant Authority concerned for a period not exceeding one year or, if shorter, the remainder of the person's term of Office;
 - ii) Disqualify a person for being, or becoming (whether by Election or otherwise), a Councillor of that or any other relevant Authority for a period **not exceeding 5 years**.



Report of the Chair of the Scrutiny Programme Committee

Council – 25 October 2018

Scrutiny Annual Report 2017-18

Purpose:	To provide a report on the work of scrutiny for the municipal year 2017-18.
Policy Framework:	Council Constitution
Consultation:	Finance, Legal, Access to Services
Report Authors:	Councillor Mary Jones / Brij Madahar
Finance Officer:	Paul Cridland
Legal Officer:	Tracey Meredith
Access to Services Officer:	Catherine Window
For Information	

1. Introduction

- 1.1 Every year Council requires that an annual report is produced for the work of scrutiny for the previous municipal year.
- 1.2 The Scrutiny Annual Report is used to:
 - Highlight the work carried out by scrutiny
 - Show how scrutiny has made a difference
 - Support continuous improvement for the scrutiny function
- 1.3 For the seventh year the report is being produced as a simple scorecard. This approach is intended to highlight a small number of key indicators that illustrate four performance questions. These questions, which are intended to reflect a 'results based' approach, are:
 - How much scrutiny did we do?
 - How well did we do?
 - How much did scrutiny affect the business of the Council?
 - What were the outcomes of scrutiny?

- 1.4 Charts have been added that show comparative data with previous years where available. Arrows on the main scorecard have also been added to indicate the direction of change for each measure.
- 1.5 The annual report was agreed by the Scrutiny Programme Committee on 8 October 2018.
- 1.6 Any comment made by Council will be considered by the Committee to inform future annual reports.

2. Financial Implications

- 2.1. There are no specific financial implications raised by this report.

3. Legal Implications

- 3.1. The Council Constitution requires that a scrutiny annual report is produced each year although the style and content of the annual report is not prescribed.

4. Equality and Engagement Implications

- 4.1 There are no equality and engagement implications associated with the report.

Background Papers: None

Appendices:

- 1. Scrutiny Annual Report 2017-18

Scrutiny Annual Report 2017/18



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1. Chair's Foreword

Councillor Mary Jones, Chair of the Scrutiny Programme Committee



I am proud to present our first annual report of this new Council term. I was pleased to be again elected as Chair of the Scrutiny Programme Committee.

We started off scrutiny this year with an induction into the subject mindful that 19 new Councillors were elected. I believe this induction is important equally for new and returning councillors. We also used that session to focus on effective questioning techniques.

We are at the start of our five year scrutiny journey. Though I feel it is important to build upon the good work that has already been carried out and continue to develop scrutiny moving forward. We talked at the start of the year about the powerful opportunities that scrutiny provides for questioning, inquiry, monitoring, and providing challenge to decision-makers. We hope that this report provides you with assurance and confidence that councillors involved in scrutiny are contributing to better services, policies and decisions, and making a difference by:

- Ensuring that Cabinet Members (and other decision-makers) are held to account through public question and answer sessions
- Making evidence based proposals on topics of concern through task and finish Scrutiny Inquiry Panels that report to Cabinet
- Monitoring and challenging service performance and improvement through standing Scrutiny Performance Panels
- Addressing issues of concern through one off working groups
- Acting as a 'check' on the key decisions through pre-decision scrutiny

We cannot look at everything so we have focussed on and aligned our work to the Council priorities, but balanced that with issues of community concern.

It was a significant and challenging year which included a review of our scrutiny arrangements by the Wales Audit Office. I am pleased to say that they found many positives in our practice and we welcome their suggestions for improvement.

Finally, a word of thanks to all of the councillors who have contributed to scrutiny over the past year. We look forward to another busy and productive year!

A handwritten signature in dark ink that reads "Mary Jones".

2. Swansea Scrutiny Results Scorecard 2017-18

Scrutiny Practice	A. How much scrutiny did we do?	B. How well did we do?
	<ol style="list-style-type: none"> 1. Number of committee meetings = 13 ⇔ (13) 2. Number of panel & working group meetings = 69 ↓ (91) 3. Number of in-depth inquiries completed = 1 ↓ (4) 4. Number of working group topics completed = 7 ↑ (4) 	<ol style="list-style-type: none"> 5. Councillors who say they have a good understanding of the work of scrutiny = 100% ↑ (97%) 6. Staff who say they have a good understanding of the work of scrutiny = 100% ↑ (45%) 7. Average councillor attendance at scrutiny meetings = 68% ↑ (67%) 8. Backbench councillors actively involved in scrutiny = 80% ↑ (76%) 9. Councillors who agree that the level of support provided by the Scrutiny Team is either excellent or very good = 91% ↑ (88%) 10. Staff who agree that the level of support provided by the Scrutiny Team is either excellent or very good = 79% ↑ (63%) 11. Councillors who agree that the scrutiny arrangements are working well = 85% ↓ (89%) 12. Staff who agree that the scrutiny arrangements are working well = 92% ↑ (39%)
Scrutiny Outcomes	C. How much did scrutiny affect the business of the Council?	D. What were the outcomes of scrutiny?
	<ol style="list-style-type: none"> 13. Number of chairs letters written to cabinet members = 63 ↓ (77) 14. In depth inquiries reported to Cabinet = 1 ↓ (4) 15. Action plans agreed = 2 ↓ (4) 16. Follow ups undertaken = 4 ↑ (3) 17. Number of Cabinet reports subject to pre decision scrutiny = 12 ↑ (9) 18. Cabinet members who attended at least one question and answer session at the Scrutiny Programme Committee = 100% ⇔ (100%) 	<ol style="list-style-type: none"> 19. Scrutiny recommendations accepted or partly accepted by Cabinet = 92% ↑ (81%) 20. Recommendations signed off by scrutiny as completed = 74% ↓ (93%) 21. Councillors who agree that scrutiny has a positive impact on the business of the Council = 84% ↑ (69%) 22. Staff who agree that scrutiny has a positive impact on the business of the Council = 92% ↑ (41%) 23. Councillors who agree that the Scrutiny Work Programme balances community concerns against issues of strategic risk and importance = 85% ↑ (77%) 24. Staff who agree that the Scrutiny Work Programme balances community concerns against issues of strategic risk and importance = 75% ↑ (34%)

Last year in brackets ↑↑ = notable change, ↓↑ = small change, ⇔ no change

3. About the Indicators

A. How much scrutiny did we do?

3.1 Number of committee meetings = 13

The Council has a single overarching Scrutiny Committee, called the Scrutiny Programme Committee, which met 13 times during the 2017-18 municipal year.

The Committee is responsible for developing and managing the overall Scrutiny Work Programme. This was informed by the annual Scrutiny Work Planning Conference which took place in June 2017, open to all non-executive councillors. Specific scrutiny activities included in the work programme are carried out either by the Committee or by establishing informal Panels and Working Groups.

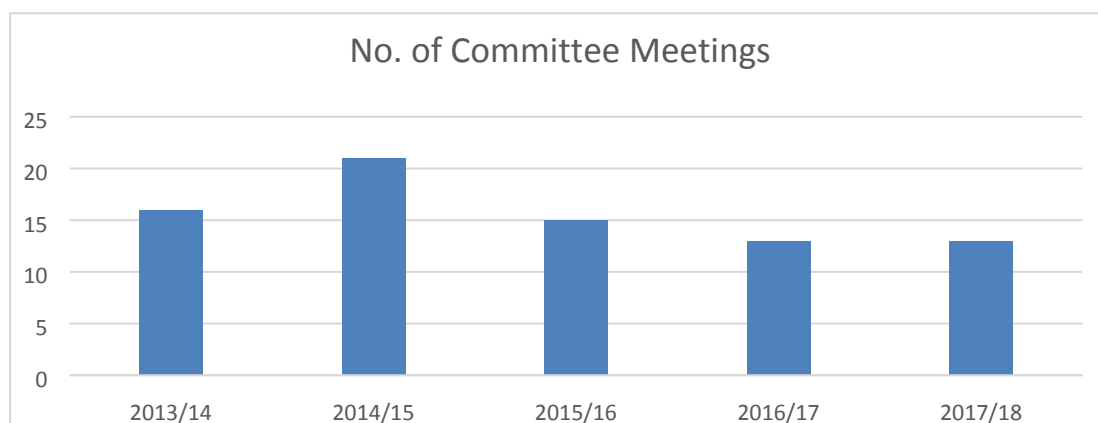
Formal committee meetings for scrutiny are held in public and give councillors the opportunity to hold cabinet members to account and provide challenge on a range of policy and service issues.

This included holding structured Question & Answer sessions with cabinet members to explore their work, looking at priorities, actions, achievements and impact. The following topics were also examined:

- Annual Corporate Safeguarding Report
- Oceana Building Demolition
- Children & Young People's Rights Scheme – Compliance & Progress
- Sustainable Swansea Programme – Commissioning Reviews: Service Areas – Post Implementation Updates

The Committee is also the Council's designated committee for Crime & Disorder Scrutiny and a meeting to discuss the performance of the local Community Safety Partnership, the Safer Swansea Partnership, took place in March 2018.

Comparison with previous years:



3.2 Number of panel & working group meetings = 69

Most of the work of scrutiny is delegated to informal topic based Panels and Working Groups. Scrutiny Panels and Working Groups are established by the Scrutiny Programme Committee, with an appointed convener (chair), to carry out specific scrutiny activities. There are two types of panels:

Inquiry panels - these undertake in-depth inquiries into specific and significant areas of concern on a task and finish basis.

Topics examined during 2017-18:	Convener
<ul style="list-style-type: none">• Regional Working (complete)• Natural Environment (continued during 2018-19)	Cllr. Lyndon Jones Cllr. Peter Jones

Performance panels - these provide in-depth performance / financial monitoring and challenge for clearly defined service areas.

Performance Panels 2017-18:	Convener
<ul style="list-style-type: none">• Service Improvement & Finance (monthly)• Adult Services (monthly)• Schools (monthly)• Child & Family Services (every two months)• Public Services Board (every two months)• Development & Regeneration (quarterly)	Cllr. Chris Holley Cllr. Peter Black Cllr. Mo Sykes Cllr. Paxton Hood-Williams Cllr. Mary Jones Cllr. Jeff Jones

Working groups are one-off meetings established when a matter should be carried out outside of the committee but does not need a panel to be set up, enabling a 'light-touch' approach to specific topics of concern.

Working Groups 2017-18:	Convener
<ul style="list-style-type: none">• Emergency Planning & Resilience• Community Cohesion & Hate Crime• Car Park Charges• Tethered Horses• Roads & Footway Maintenance• Local Flood Risk Management (meets annually)• Renewable Energy• Homelessness (completed in June 2018)	Cllr. Mary Jones Cllr. Elliot King Cllr. Will Thomas Cllr. Jeff Jones Cllr. Sam Pritchard Cllr. Peter Jones Cllr. Sam Pritchard Cllr. Peter Black

In our annual councillor survey 96% of those asked felt that scrutiny activities are well-planned (45 respondents).

3.3 Number of in-depth inquiries completed = 1

Work on the following in-depth inquiry was completed during 2017-18:

- Regional Working: *How can the Council, along with its partners, develop and improve regional working for the benefit of Swansea and its residents?*

3.4 Number of working group topics completed = 7

Work on the following topics was completed during 2017-18 through meetings of Working Groups:

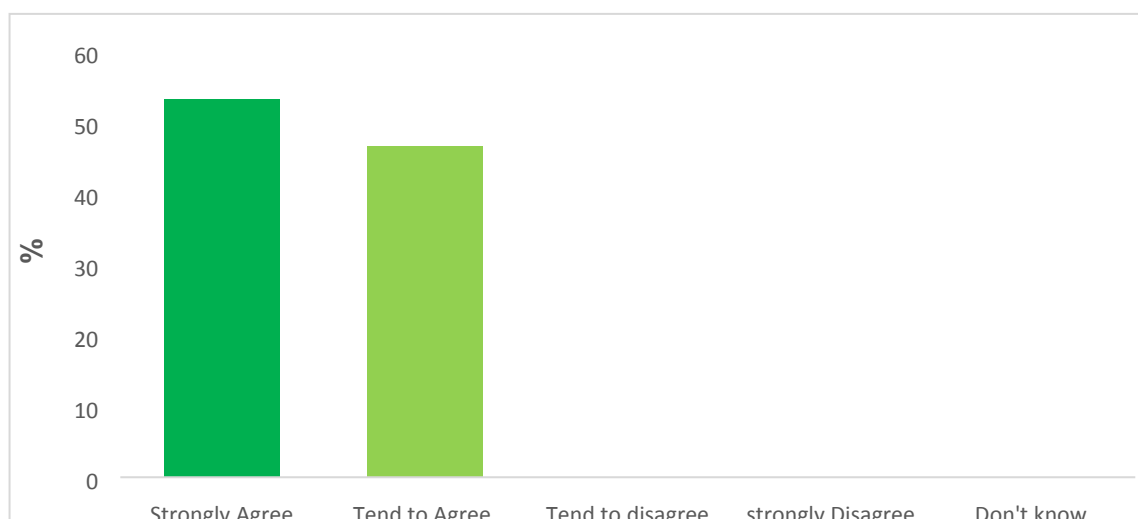
- Emergency Planning & Resilience
- Community Cohesion & Hate Crime
- Car Park Charges
- Tethered Horses
- Roads & Footway Maintenance
- Local Flood Risk Management (meets annually)
- Renewable Energy

Work on Homelessness was completed during the current municipal year 2018/19.

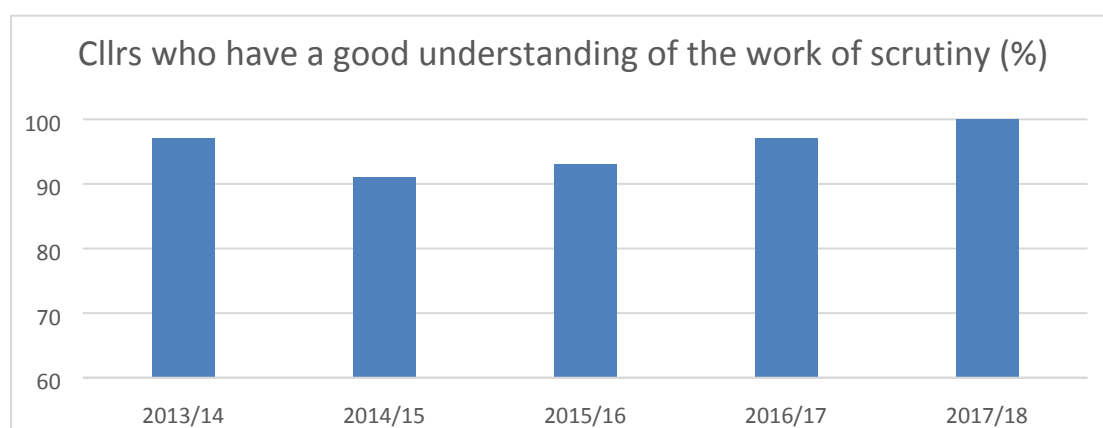
B. How well did we do?

3.5 Councillors who say they have a good understanding of the work of scrutiny = 100%

Awareness and understanding of scrutiny is an important aspect of effectiveness. This data is collected via an annual survey of Councillors (and co-opted members). Many of the questions asked are based on characteristics of effective scrutiny identified by Centre for Public Scrutiny / Wales Audit Office. The numbers of councillors who responded to the survey was 44 (61% of all councillors). This included 40 out of 61 non-executive Councillors (66%). The data also includes the response of 5 co-opted members who were also surveyed. 45 responders were asked this question, representing those who had attended a scrutiny meeting in the last year. 4 non-executive councillors who responded to the survey had not attended a scrutiny meeting during 2017-18.



Comparison with previous years:

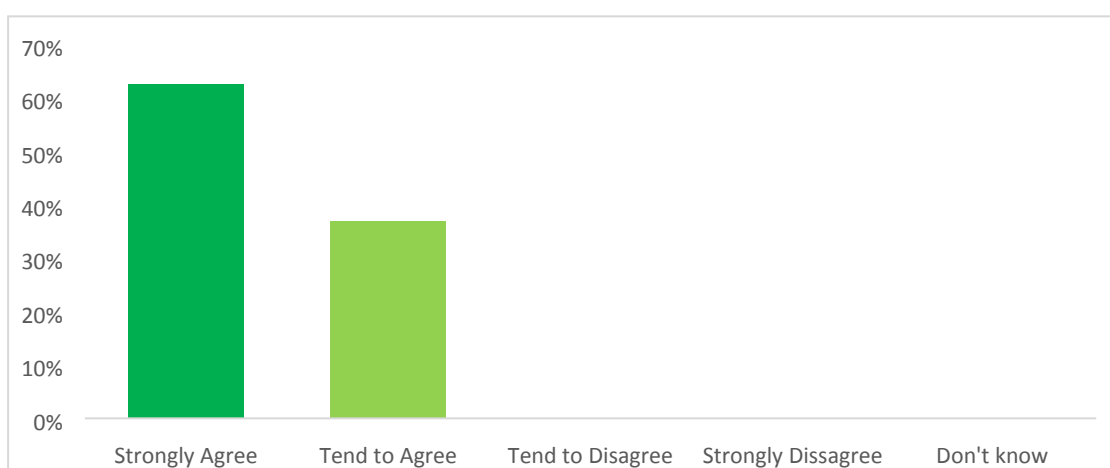


3.6 Staff who say they have a good understanding of the work of scrutiny = 100%

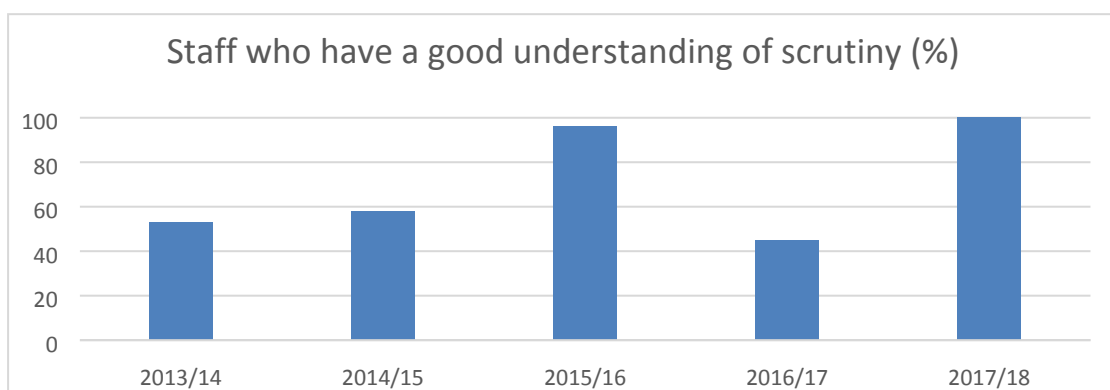
Awareness and understanding of scrutiny is an important aspect of effectiveness. This data is collected via an annual survey of senior members of staff (Corporate Directors, Heads of Services and Senior Managers).

In previous years this question was asked of all staff however the low number of responses meant it was difficult to draw meaningful conclusions. The staff survey is now aimed at senior members of staff, providing a more meaningful indication of understanding amongst those staff in the organisation who will most likely need to be engaged in scrutiny. Overall response rate: 39 staff members - estimated 31% of those surveyed - with an almost even split of staff across the 3 Council Directorates – People, Place & Resources. This question was asked of those who told us that they had some involvement with scrutiny over the last year (24 out of the 39 respondents, or 61.5%)

At the same time we have tried raise awareness of scrutiny and basic understanding amongst all staff generally, through improved online content and staff news stories.



Comparison with previous years:



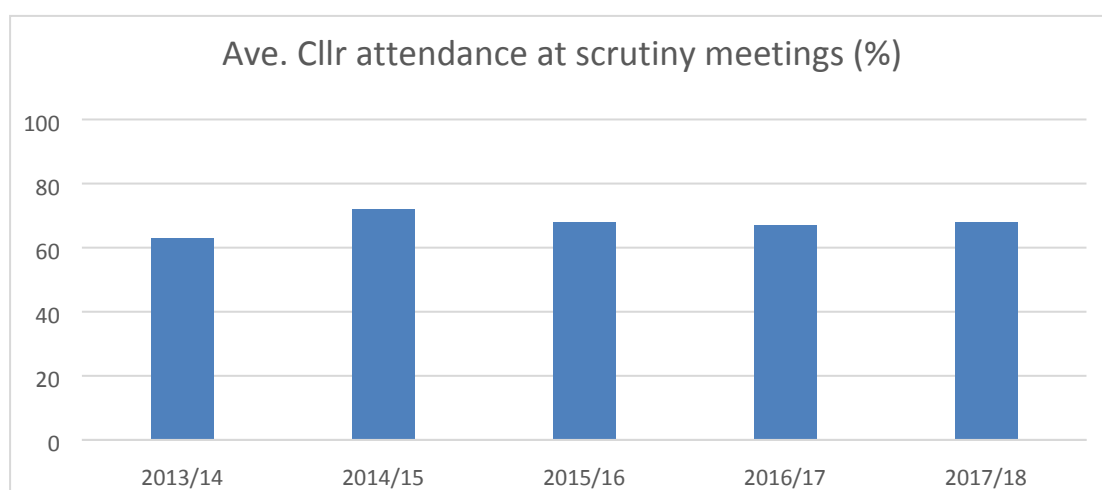
3.7 **Average councillor attendance at scrutiny meetings = 68%**

The rate of councillor attendance measures an important aspect of effectiveness as it reflects the engagement of councillors in the scrutiny process.

The membership of the Scrutiny Programme Committee is determined by Council. However, membership of the various informal Panels and Working Groups is based on interest shown by councillors in the topics under scrutiny. Based on expressions of interest the membership of panels and working groups is determined by the Committee.

Attendance figures for councillors are collected by the Council's Democratic Services Team and published on the Council's website. 2017/18's figure is an overall attendance figure that includes the Scrutiny Programme Committee, panel meetings and the working groups.

Comparison with previous years:



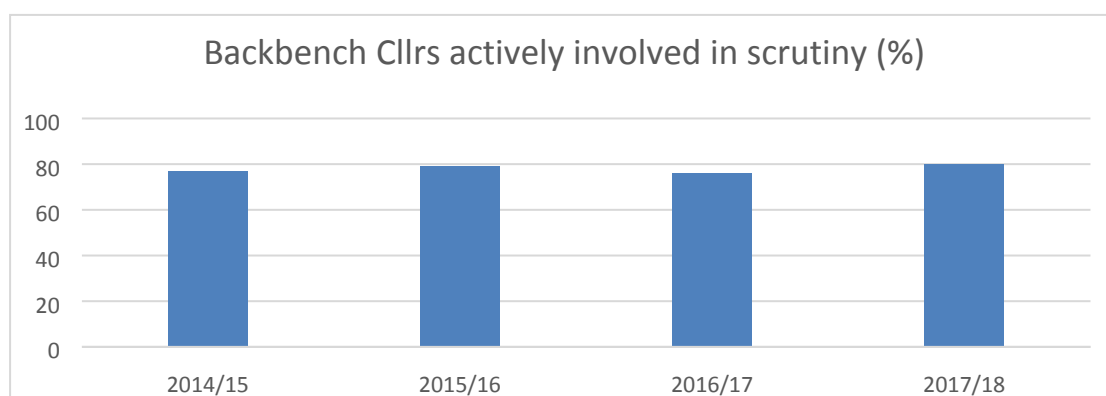
3.8 **Backbench councillors actively involved in scrutiny = 80%**

All backbench councillors have the opportunity to participate in scrutiny work regardless of committee membership. New scrutiny topics, once agreed, were advertised to all non-executive councillors and expressions of interest sought to lead and/or participate in these activities. It enables councillors to participate based on interest, and enables them to build up specialist expertise.

The large majority of backbench councillors were involved in scrutiny either through the Scrutiny Programme Committee, panels or working groups.

In our annual councillor survey 98% of those asked agreed that non-executive members have good opportunities to participate in scrutiny (41 respondents).

Comparison with previous years:

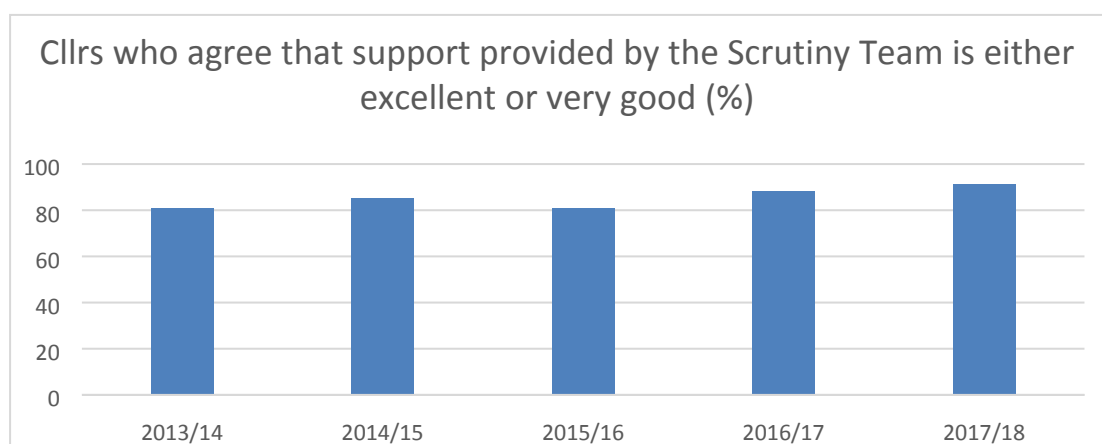


3.9 Councillors who have used the service who agree that the level of support provided by the Scrutiny Team is either excellent or very good = 91%

The Scrutiny Team provides capacity for the committee and the panel meetings/working groups to undertake their work by undertaking, for example, project management, research, report writing and liaison with cabinet and witnesses. This data is collected via our annual survey of councillors. The number of councillors answering this question was 45 (those who had attended a scrutiny meeting during the last year).



Comparison with previous years:

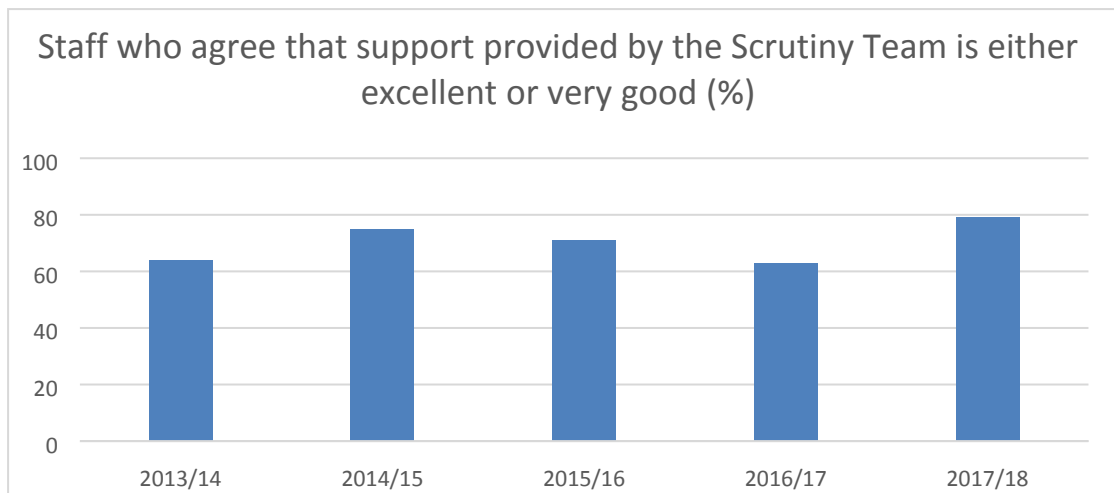


3.10 Staff who agree that the level of support provided by the Scrutiny Team is either excellent or very good = 79%

The Scrutiny Team provides capacity for the committee and the panel meetings/working groups to undertake their work by undertaking, for example, project management, research, report writing and liaison with cabinet and witnesses. This data was collected via our annual survey of senior members of staff. Only those who told us that they have had some involvement in scrutiny over the past year were asked this question. The number of people answering this question was 24.

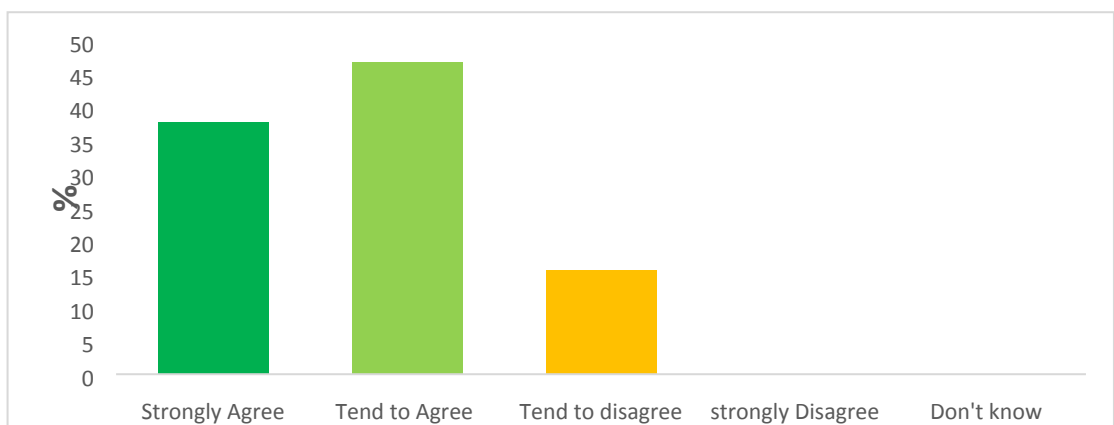
Comparison with previous years:



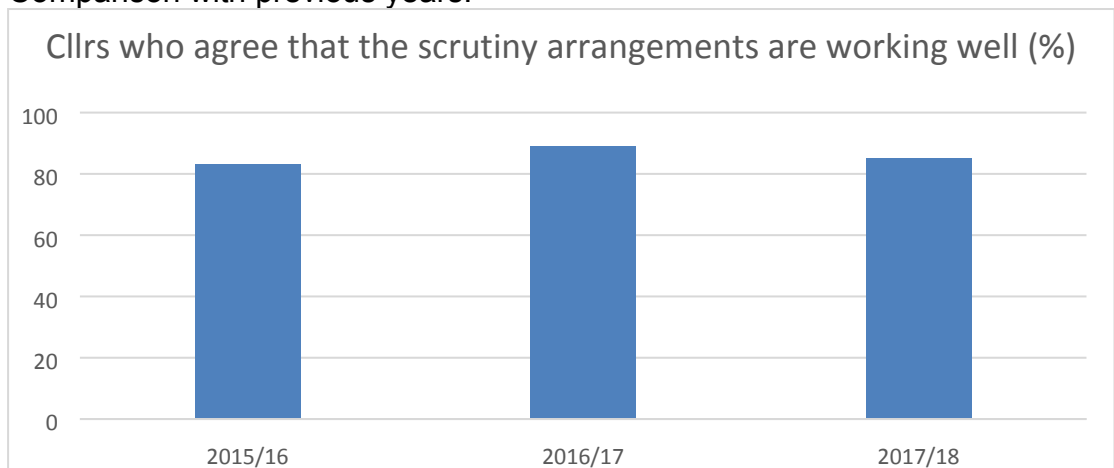


3.11 Councillors who agree that the scrutiny arrangements are working well = 85%

As part of an annual survey, councillors are asked whether they feel the scrutiny arrangements are working well. The number of councillors answering this question was 45 (those who had attended a scrutiny meeting in the last year). This was a new indicator added in 2015/16.

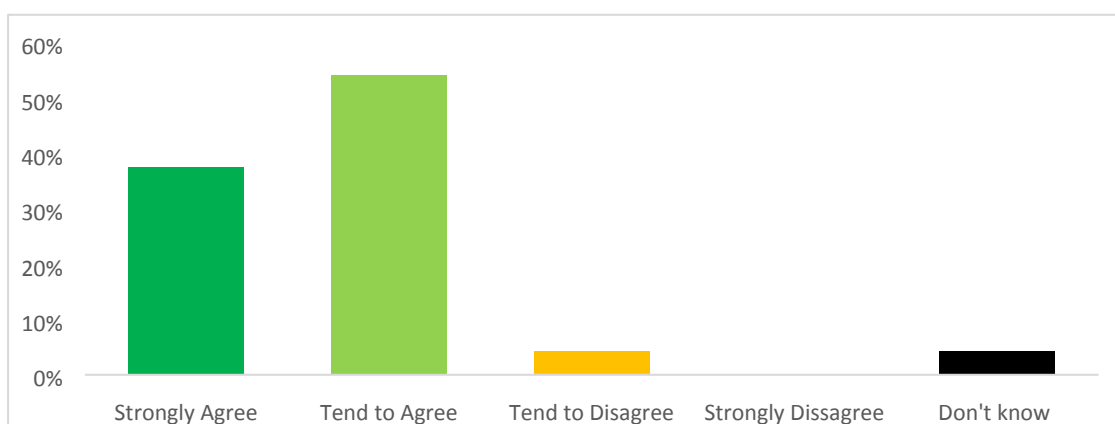


Comparison with previous years:

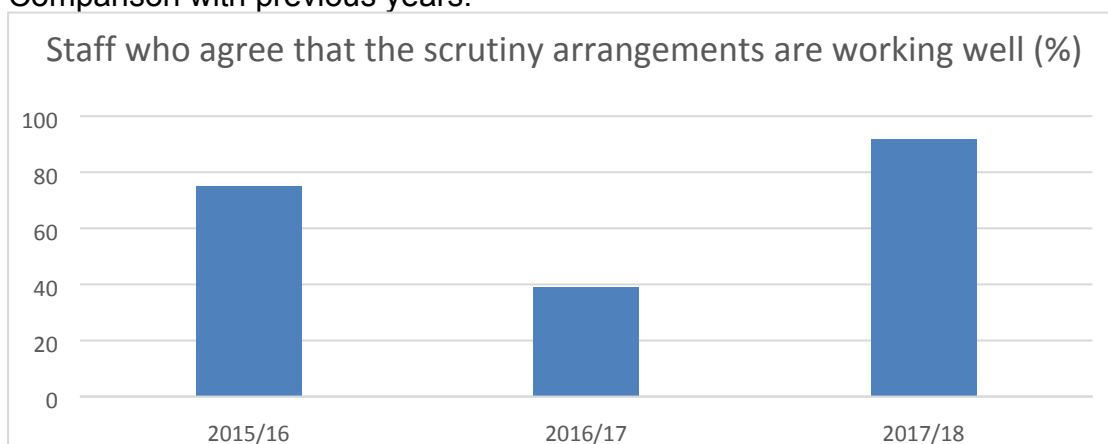


3.12 Staff who agree that the scrutiny arrangements are working well = 92%

As part of an annual survey, senior members of staff were asked whether they feel the scrutiny arrangements are working well. Only those who told us that they have had some involvement in scrutiny over the past year were asked this question. The number of people answering this question was 24. This was a new indicator added in 2015/16.



Comparison with previous years:

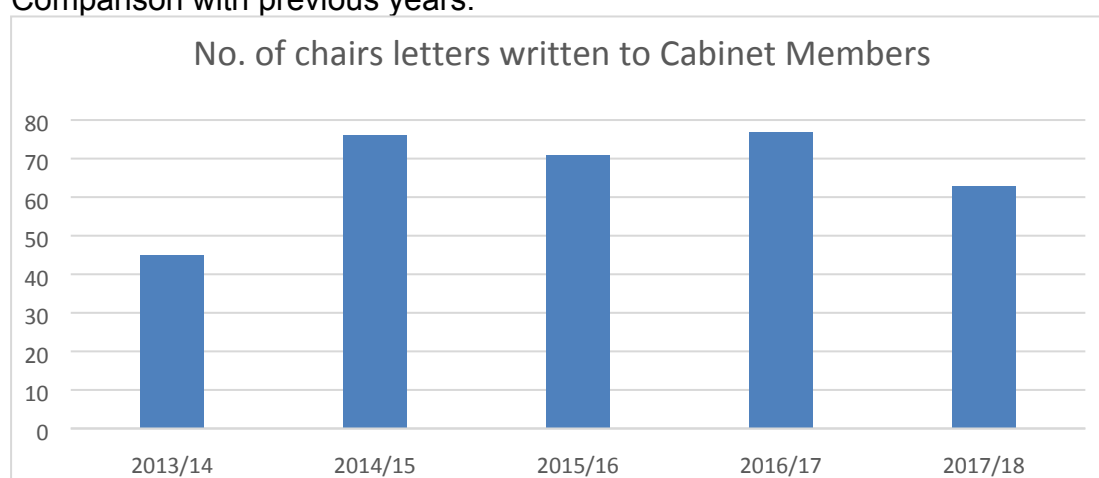


C. How much did scrutiny affect the business of the Council?

3.13 Number of chairs letters written to cabinet members = 63

Chairs letters are an established part of the scrutiny process in Swansea. They allow the committee and panel meetings/working groups to communicate quickly and efficiently directly with relevant cabinet members. They will send letters to raise concerns, recognise good practice, ask for further information and make recommendations for improvement, reflecting discussion at committee / panel / working group meetings. Letter are effectively 'mini-reports' with conclusions and proposals from scrutiny – and where necessary require a response. Average response time for letter sent during 2017-18: 19 days (against target of 21 days). 71% of the 48 letters requiring response were responded to within time.

Comparison with previous years:

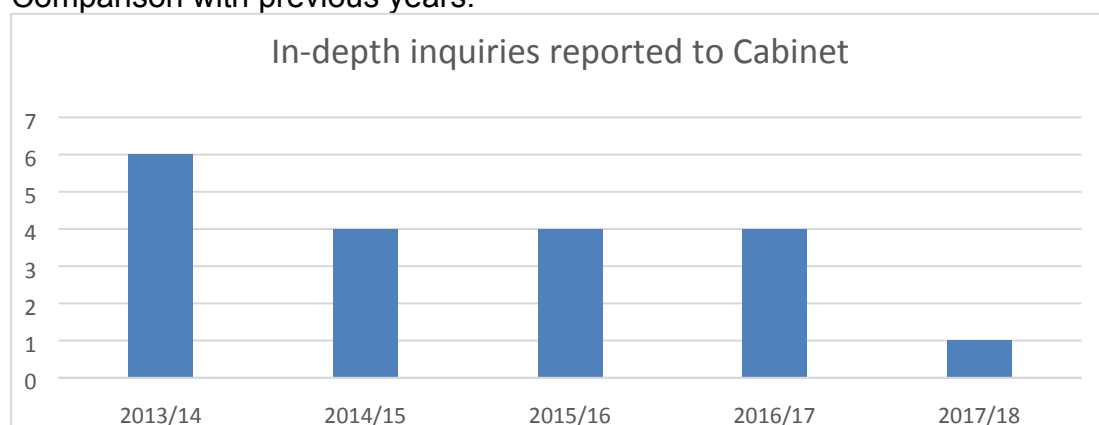


3.14 In-depth inquiries reported to Cabinet = 1

In depth inquiries are reported to Cabinet for a response to the recommendations agreed by scrutiny and action plan on how the recommendations will be implemented. The following in-depth reviews were reported to Cabinet from scrutiny with the number of recommendations from each shown in brackets:

Regional Working (11)

Comparison with previous years:

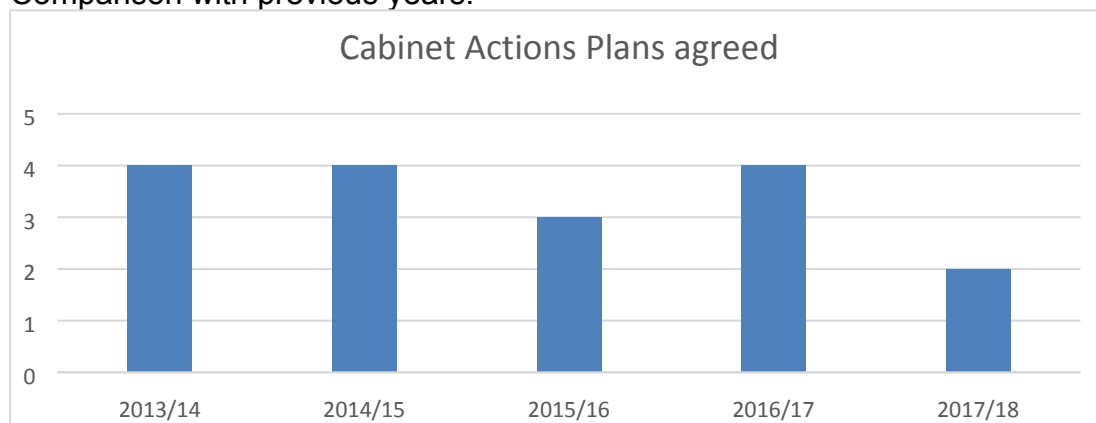


3.15 Action plans agreed = 2

Once recommendations and an action plan have been agreed by cabinet, scrutiny will follow up on progress with implementation and impact. The following action plans were agreed following in-depth inquiries that were originally carried out during 2016-17:

- School Readiness
- Tackling Poverty

Comparison with previous years:



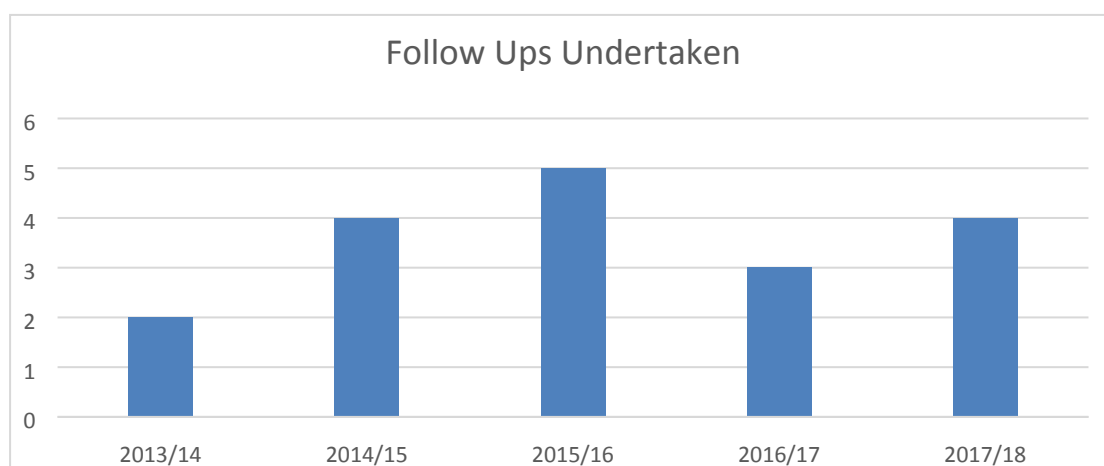
3.16 Follow ups undertaken = 4

Inquiry Panels reconvene to follow up on the implementation of agreed recommendations and cabinet action plans, and assess the impact of their work. A meeting will usually be held 6-12 months following cabinet decision, with a further follow up arranged if required.

In order to check whether the agreed action plans have been carried out, scrutiny will ask for follow up reports from cabinet members. If councillors are satisfied they can then conclude the work for that inquiry. The following previous scrutiny inquiries were followed up during the year:

- School Governance (monitoring complete)
- Building Sustainable Communities (monitoring complete)
- School Readiness (monitoring complete)
- Child & Adolescent Mental Health Services (further follow up in November 2018)

Comparison with previous years:

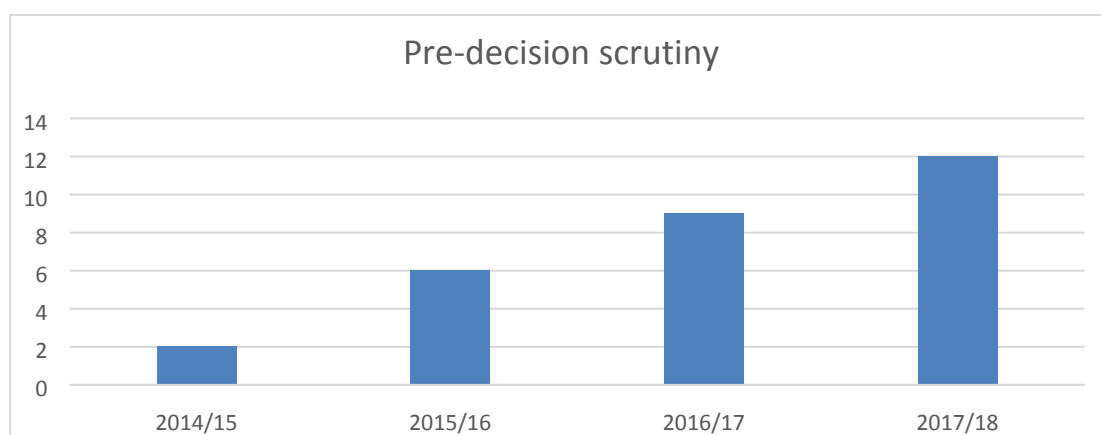


3.17 Number of Cabinet reports subject to pre decision scrutiny = 12

Pre decision scrutiny involves scrutiny councillors considering cabinet reports before cabinet makes a final decision. Taking into account strategic impact, public interest, and financial implications, the following 12 cabinet reports were subject to pre-decision scrutiny (carried out by the Committee or relevant Performance Panels), with views reported to Cabinet before decisions were taken:

- Adult Services Commissioning Reviews Consultation Outcome
- Catering Services Commissioning Review
- Planning & City Regeneration Commissioning Review
- Public Protection Commissioning Review
- Castle Square Regeneration
- Family Support (Children with Additional Needs & Disability) Commissioning Review
- More Homes Pilot Scheme
- Liberty Stadium
- Transfer of Management of Allotments
- Highways & Transportation Commissioning Review
- Budget
- Residential Care and Day Services for Older People Commissioning Review

Comparison with previous years:

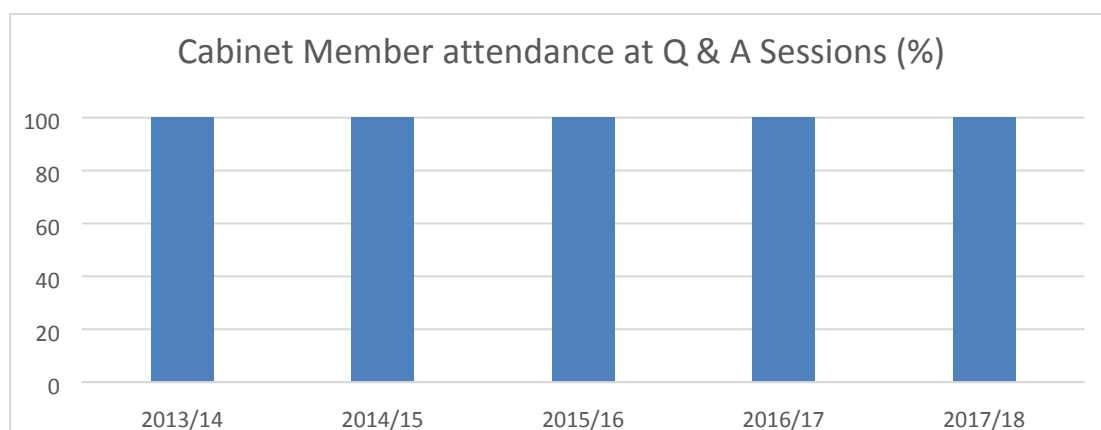


3.18 Cabinet members who attended at least one question and answer session at the Scrutiny Programme Committee – 100%

Cabinet members attend scrutiny meetings to answer questions and provide information. Cabinet attendance at scrutiny meetings is a good indicator that the 'holding to account' role of scrutiny is functioning well. In 2017/18 every Cabinet Member attended at least one question and answer session at the Scrutiny Programme Committee, enabling the committee to explore their work, looking at priorities, actions, achievements and impact. This indicator was added in 2013/14.

In our annual councillor survey 89% of those asked felt that scrutiny provides regular challenge to decision-makers (45 respondents).

Comparison with previous years:

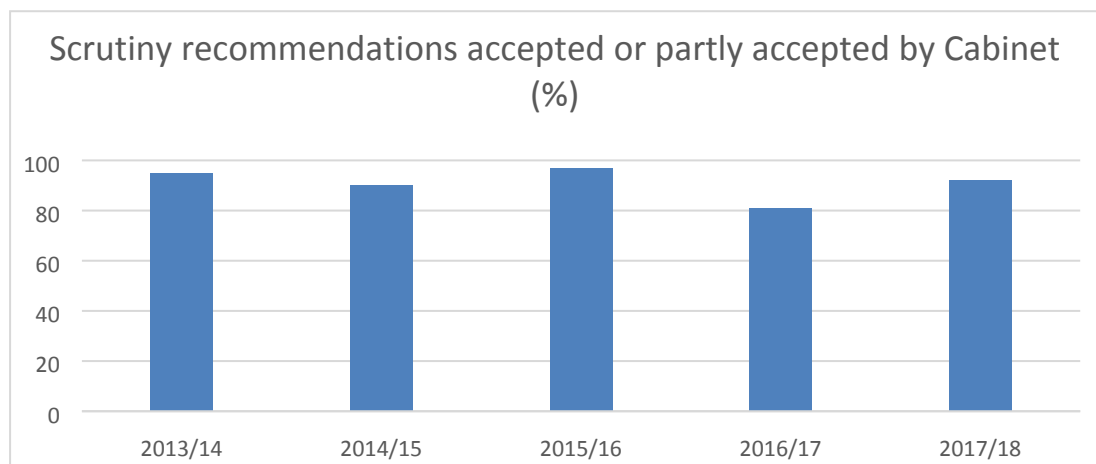


D. What were the outcomes of scrutiny?

3.19 Scrutiny recommendations accepted or partly accepted by Cabinet = 92%

The rate that cabinet accept scrutiny recommendations is a good indicator of whether scrutiny is making strong recommendations based on robust evidence. Cabinet responded to 24 scrutiny inquiry recommendations in 2017-18 of which 21 were accepted and 1 were partly accepted. 2 were rejected.

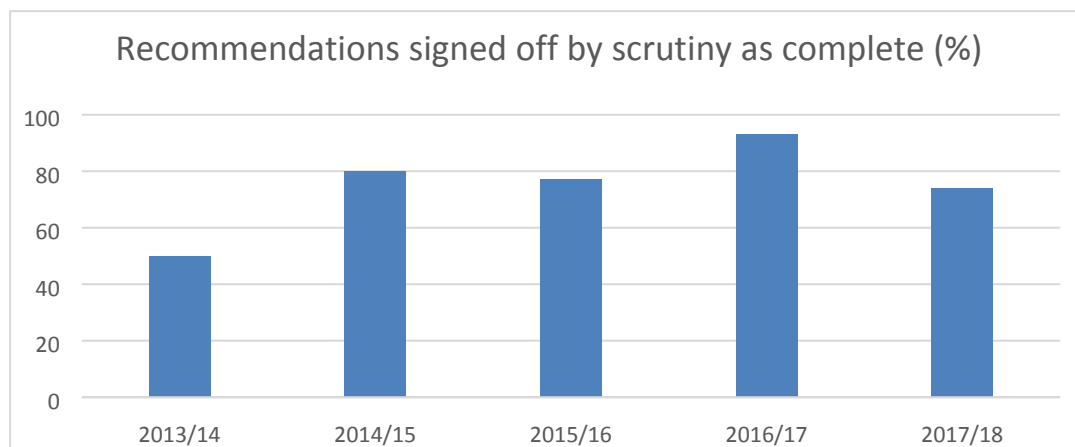
Comparison with previous years:



3.20 Recommendations signed off by scrutiny as completed = 74%

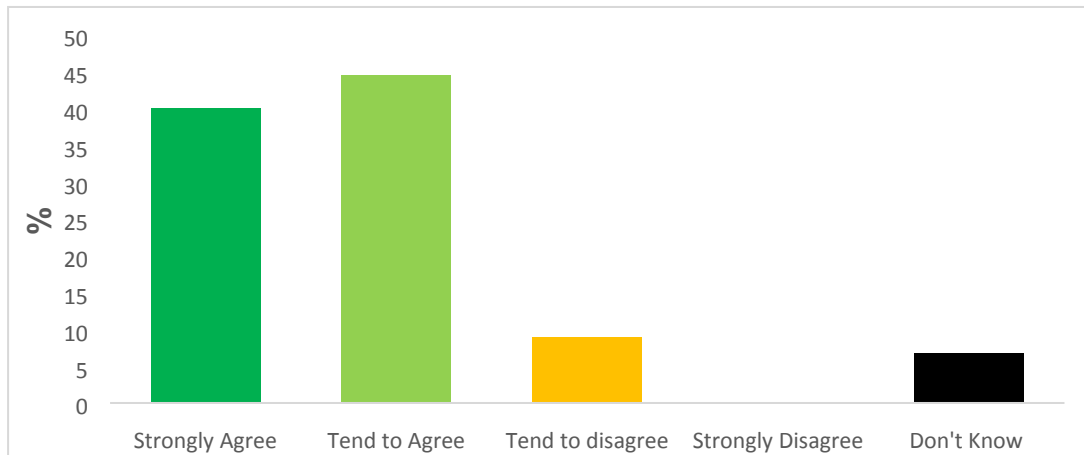
When follow up reports are presented to scrutiny (usually within 12 months following original cabinet decision) they detail which of the recommendations from the in depth inquiry have been completed in line with the cabinet member's action plan and which have not. Scrutiny councillors then consider whether they agree with the assessment taking into account the evidence they are presented with. This indicator represents the percentage of recommendations accepted by scrutiny as being completed for the year (35 recommendations were considered of which 26 were considered as complete).

Comparison with previous years:

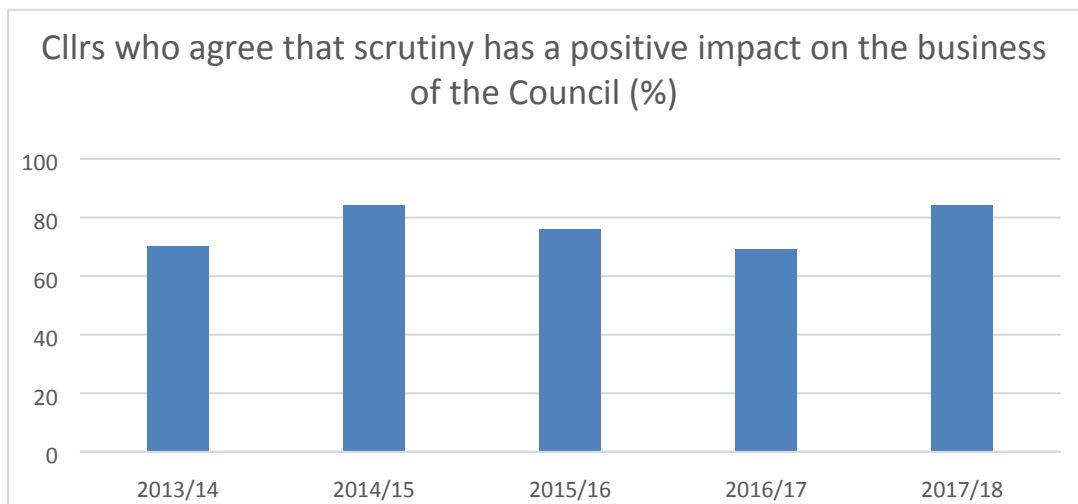


3.21 Councillors who agree that scrutiny has a positive impact on the business of the Council = 84%

As part of our annual survey, councillors are asked whether they believe that scrutiny has made a difference. The numbers of councillors who responded to the survey was 45 (those who had attended a scrutiny meeting in the last year).

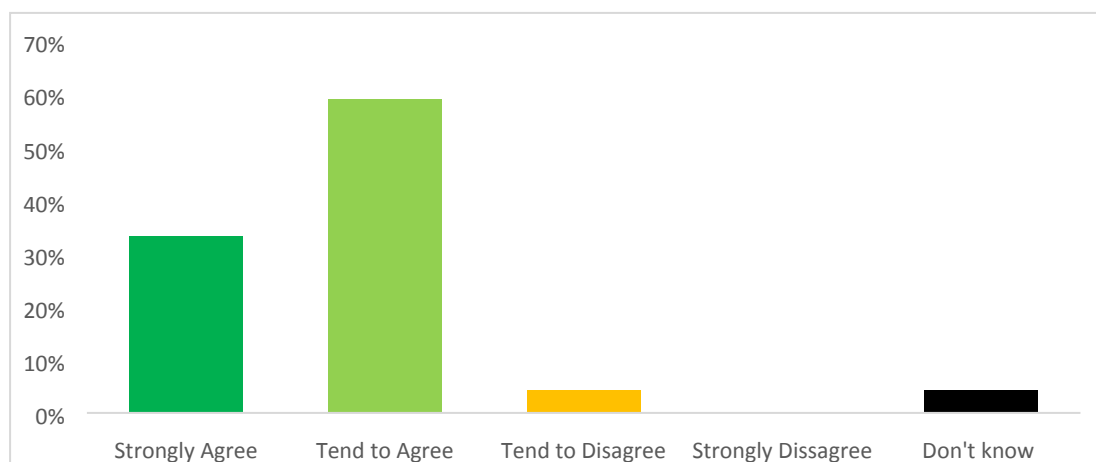


Comparison with previous years:

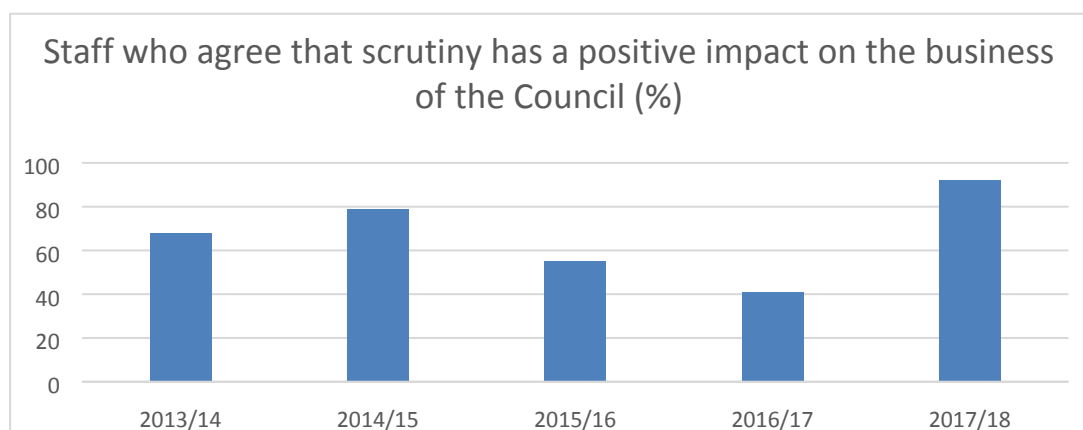


3.22 Staff who agree that scrutiny has a positive impact on the business of the Council = 92%

As part of an annual survey, senior members of staff were asked whether they believe that scrutiny has made a difference. The number of people answering this question was 24.



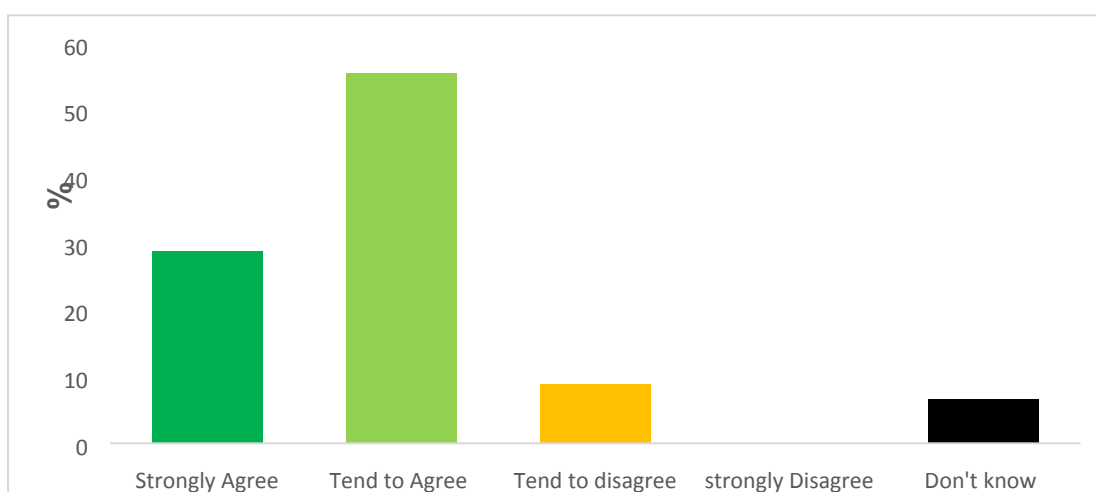
Comparison with previous years:



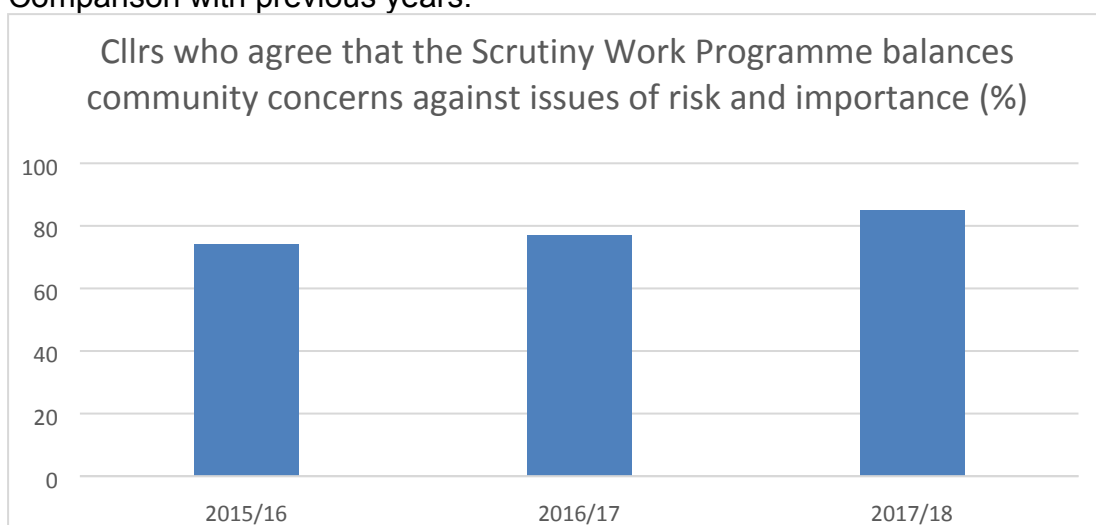
3.23 Councillors who agree that the Scrutiny Work Programme balances community concerns against issues of strategic risk and importance = 85%

Overarching priorities are shaped by an annual work planning conference (open to all non-executive councillors) that hears a range of perspectives on what should be included. All councillors can suggest particular topics of concern for possible scrutiny. The Scrutiny Work Programme is guided by the overriding principle that the work of scrutiny should be strategic and significant, focussed on issues of concern, and represent a good use of scrutiny time and resources.

It is important that the Scrutiny Work Programme strikes a balance between community concerns and strategic issues. As part of the annual survey, councillors are asked whether they believe that the Scrutiny Work Programme balances community concerns against issues of strategic risk and importance. This was a new indicator added in 2015/16.

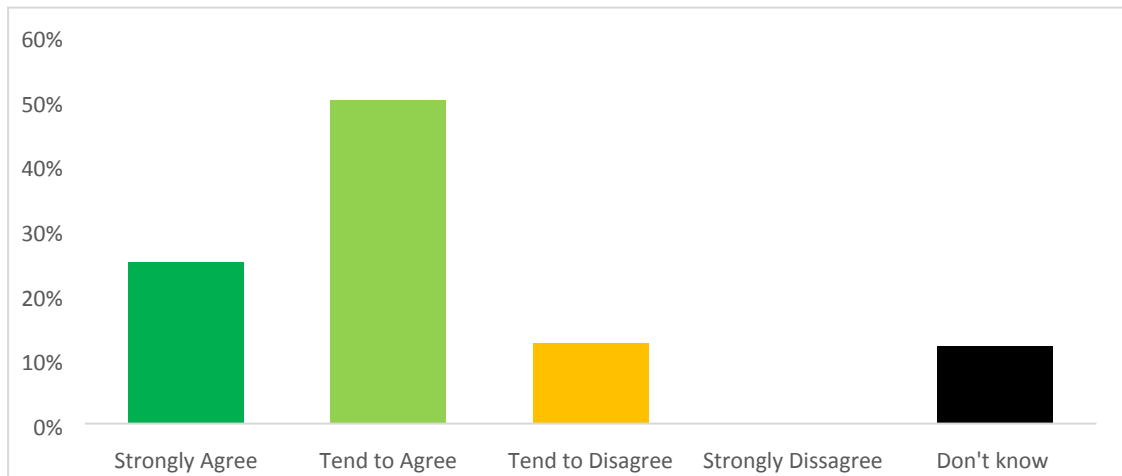


Comparison with previous years:

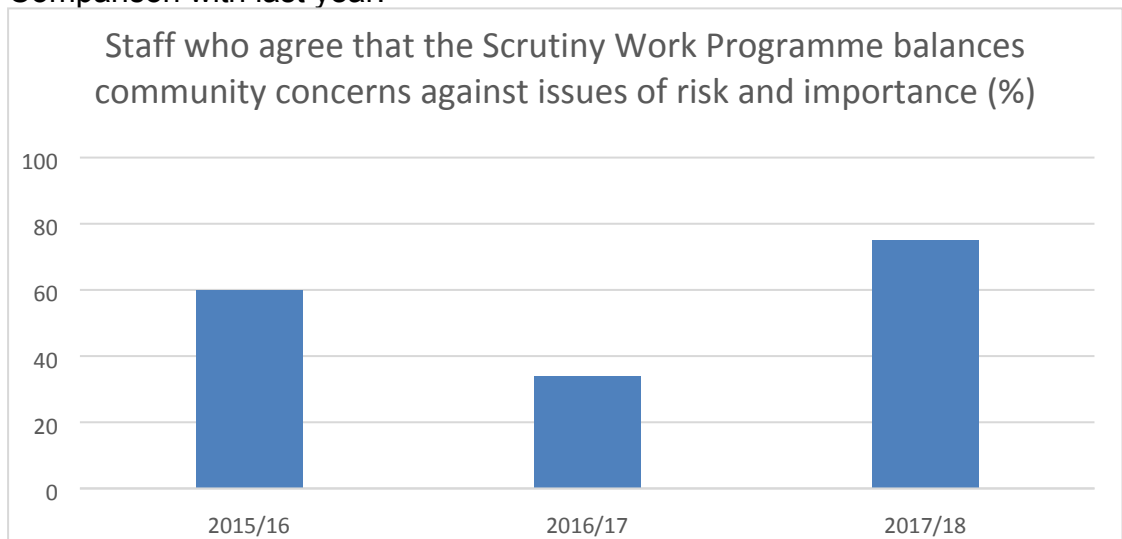


3.24 Staff who agree that the Scrutiny Work Programme balances community concerns against issues of strategic risk and importance = 75%

It is important that the Scrutiny Work Programme strikes a balance between community concerns and strategic issues. As part of the annual survey, senior members of staff were asked whether they believe that the Scrutiny Work Programme balances community concerns against issues of strategic risk and importance. This was a new indicator added in 2015/16.



Comparison with last year:



4. Impact

4.1 How Scrutiny Councillors have made a difference

4.1.1 The Scrutiny Programme Committee produced a quarterly summary of the headlines from the work of scrutiny for council and the public, which focussed on impact and how scrutiny is making a difference. It was reported to Council in January and April 2018.

4.1.2 It is important to know that the work and the efforts of scrutiny councillors are having a positive impact and are delivering effective scrutiny. We make sure that the recommendations we make, in whatever scrutiny forum, are followed up to check on implementation and assess the impact of this work.

4.1.3 The difference made and impact of the overall work of scrutiny is also communicated via:

- press releases to the local media;
- regular posts to our Swansea Scrutiny blog;
- an email monthly subscription newsletter; and
- use of social media, including Twitter.

4.1.4 A selection of stories from the past year of scrutiny from Scrutiny Dispatches, which demonstrate the impact made, are **appended**. This includes reference to:

- Identifying ways in which school readiness can be improved (School Readiness Inquiry)
- How communities can be better supported to take control of local services (Building Sustainable Communities Inquiry)
- Strengthening emergency planning and resilience (Working Group)
- Improving school governance e.g. recommended closer working between governing bodies and school challenge advisors (School Governance Inquiry)
- Scrutiny of Commissioning Reviews - questioning Cabinet Members on proposals, e.g. rationale, potential impact / implications, options considered, consultation undertaken, and presenting views to Cabinet ahead of decisions.
- Developing regional scrutiny of school improvement services (Education Thorough Regional Working)
- Improving the welfare of tethered horses through partnership working (Working Group)
- Challenging our schools in order to ensure that pupils in Swansea are receiving a high quality education and that they are meeting objectives to improve schools standards and pupil attainment. (Schools Performance Panel)
- Raising debate about the management of the Council's car parks and charges, including the effect of the introduction of winter charges on tourism and footfall, and the quality of provision (Working Group)

5. Feedback and Improvement

5.1 Improving Scrutiny

- 5.1.1 It is good practice for those involved in the scrutiny function to undertake regular self-evaluation of this work. Taking into account characteristics of effective scrutiny and experiences it is important for the continuous improvement of the function that any issues identified about current scrutiny practice are discussed and addressed.
- 5.1.2 In previous years efforts have included a focus on improving communication with cabinet members, the alignment of scrutiny work with corporate priorities and things that matter most, getting more coverage in the media to raise awareness of scrutiny, and getting more public engagement in scrutiny meeting.
- 5.1.3 This annual report marks the start of a new five year Council. The end of the first year was marked by scrutiny councillors with a look back at work carried out, achievements and the effectiveness of scrutiny.
- 5.1.4 Opportunities for those involved or interested in scrutiny to feedback views are provided each year though well-established surveys, as well as through annual review discussions within the Scrutiny Programme Committee and Scrutiny Performance Panels.

5.2 How people see Scrutiny

Some further findings from Annual Survey about how scrutiny is viewed:

Statement	Agreed	
	Councillor Survey	Staff Survey
The Work of Scrutiny is Councillor-Led	98%	92%
Scrutiny works in a cross-cutting fashion and is not restricted to departmental silos	83%	83%
Scrutiny has the officer support it needs to be effective	89%	92%
Scrutiny provides regular challenge to decision-makers	89%	92%
Scrutiny is important as a mechanism for community Engagement	87%	84%
Scrutiny councillors have the training and development opportunities they need to undertake the role effectively	78%	46%

5.3 What people like about scrutiny

These are the sort of things that people have told us they like about scrutiny:

1. *The scrutiny role itself*

The scrutiny role itself and various opportunities it provides to discuss issues (often cross-cutting) in some depth and challenge and hold to account decision-makers, and reflect on service performance. It operates in a constructive environment. There is praise for the open, transparent, democratic, informed debate that takes place.

2. *Member-led*

The Member-led process provides freedom for Councillors to explore what matters to them, and require responses to issues raised, and act quickly upon requests from councillors and the public to look at specific matters. People have also praised scrutiny councillors for listening to issues, in order to make informed assessments about service delivery and performance.

3. *The Work Programme*

People feel that the work programme is balanced and focussed on the key issues, including a continued focus on the two most significant areas of council spending - social services and education. Balancing strategic and local issues and timely involvement is nevertheless an ongoing challenge.

3. *Cross-party Working*

There is good cross-party working, and 'all in it together' attitude - working together to improve Swansea. Inclusive and giving every councillor a voice.

4. *Pre-decision Scrutiny*

The number of times that pre-decision scrutiny was used continues to increase and is valued as an opportunity to feed directly into decision-making.

5. *Learning & Development*

There are opportunities to learn and develop, e.g. involvement in Performance Panels enables councillors to build up in-depth knowledge and expertise in specific service areas, and Working Groups enable councillors to learn more about a topic.

6. *Officer Support*

We have very good and well-established Officer support for scrutiny which means activities are well-managed and supported effectively, and there is good communication all round, fostering good working relationships between members and officers.

7. *Involving the Public*

Scrutiny provides the ability to involve the public, and is open and welcoming to input e.g. requests for scrutiny. People like the regular updates published about the work of scrutiny. To support public engagement there has been a good level of media coverage for scrutiny work over the last 12 months.

5.4 Things that could be improved

While overall feedback was positive there were nevertheless a number of general improvement issues raised.

Some of the issues that stood out included:

1. Councillor Involvement

A number of survey respondents felt that there should be a wider range of councillors actively involved in the work of scrutiny. We will need to understand the barriers to participation and see what can be done to facilitate the engagement of those not actively involved, e.g. timing of meetings.

2. Cabinet Responses

Councillors would like better information in order to be able to track Cabinet Member responses to scrutiny views and recommendations, and therefore more easily see what impact / difference is being made.

3. Public Engagement

Despite efforts to raise awareness and promote opportunities to engage in scrutiny low levels of public engagement have been highlighted and requires attention. In our Public Survey we received response from 85 people. Almost half of these had not heard of the Council's Scrutiny function and the work of Scrutiny.

4. Resources

Although our agile scrutiny arrangements have received praise, a number of councillors have observed the ongoing challenge of balancing scrutiny activity with available resources. There are limitations on the amount of scrutiny work that can be carried out, but at the same time ever-growing demands for scrutiny, and pressure to deliver effective scrutiny.

5. Impact

Councillors recognise the difficulty in demonstrating the impact of scrutiny. Feedback from decision-makers will help to show the contribution that scrutiny makes to improvement. We will need to consider how the visibility of impact both internally across the Council and externally can be increased.

6. Duplication

It is important that Councillors and officers have understanding of the role that different bodies play in the overall decision-making and governance of the Council, and their connectivity. There have been issues raised about the respective role of scrutiny and role of the Council's Policy Development Committees, which need to be considered.

5.5 Five Improvement Objectives

- 5.5.1 The Scrutiny Programme Committee attended an 'Improvement & Development' workshop in May 2018 as part of the process to identify improvement objectives for scrutiny for the year ahead. They reviewed findings from the Scrutiny Annual Survey and in particular feedback on where things could be better, as well as reflecting on their own experience, and other feedback received throughout the year. From this emerged a clear sense about what priorities for improving scrutiny should be. Amongst the issues the Committee felt merited attention were: Councillor involvement in scrutiny; reports to scrutiny and reporting arrangements, Cabinet engagement in scrutiny / tracking their response to scrutiny, visibility of impact, and public engagement.
- 5.5.2 This process of reflection and self-evaluation has helped to guide improvement actions for scrutiny in Swansea for the coming year. The following improvement objectives emerged from this process, reflecting the issues that matter most to scrutiny councillors, and were agreed by the Scrutiny Programme Committee:
- 1) We need more of our work to be reported to Cabinet so that there is more formal consideration of scrutiny conclusions and recommendations.
 - 2) We need to be involved at an earlier stage in proposed Cabinet decisions so that our input can be more meaningful.
 - 3) We need to increase opportunities for participation so that more councillors can get involved in the work of scrutiny.
 - 4) We need to strengthen follow up of all scrutiny recommendations so that the response and difference made can be assessed.
 - 5) We need more coverage in the media so that people are more aware of our work.
- 5.5.3 At the time of writing we are giving thought to specific actions that will help us to achieve these improvement objectives, for example findings from Working Groups being presented via short reports to Cabinet instead of via letter to relevant Cabinet Member, working more closely with communications officers to increase media coverage, holding some meetings in the community. We look forward to writing about these objectives / actions, and progress, in next year's annual report.

5.6 Wales Audit Office Review of Scrutiny

5.6.1 The past year was also significant because the Wales Audit Office carried out a review of scrutiny arrangements in all Welsh local authorities. As well as carrying out a desktop review the Wales Audit Office held focus groups with councillors and interviewed relevant officers. Their findings from their review, dubbed 'Overview & Scrutiny: Fit for the Future?', were published in July 2018.

5.6.2 Overall it is a positive report which recognises good scrutiny practice. The report concludes that scrutiny in Swansea:

- is well-placed to respond to future challenges;
- regularly challenges decision-makers; and
- has arrangements to review its own effectiveness.

5.6.3 The report does however contains some proposals for improvement which will need to be addressed, suggesting that we should:

- develop a training & development programme for scrutiny members
(this recognises financial pressures to support / deliver training but suggests we develop and deliver an appropriate training & development programme that could include further training on the Wellbeing of Future Generations Act, as well as other topics that may help members in their role, e.g. scrutiny chairing training)
- strengthen the evaluation of impact and outcomes of scrutiny activity
(this relates mainly to measuring the impact and outcomes of activity on citizens and other stakeholders but suggests: a need to identify measurable outcomes, such as an indicator we want to change, that can be looked at pre and post a scrutiny inquiry to see difference made by scrutiny; tracking of scrutiny recommendations to evaluate impact / effectiveness; and improving the Scrutiny Annual Report to reflect more about activity and impact)
- further clarify the distinction between scrutiny and policy development committee activity in relation to policy development
(this recognises there are processes in place to avoid potential for confusion / duplication between the roles, but suggests the need to further clarify the distinction vis-à-vis the policy development role because some members remain unclear about the difference and therefore potential for overlap remains)

5.6.4 The Audit report also comments on current arrangements for pre-decision scrutiny and suggests that more time to consider proposed cabinet reports would enable sufficient time for effective planning and broader range of evidence gathering, and more meaningful involvement of scrutiny members in the decision-making process. This links to one of the improvement objectives identified by the Committee.

5.6.5 We will be preparing an appropriate action plan that will address the proposals for improvement, and taken together with the already identified improvement objectives we will arrive at a co-ordinated and comprehensive single improvement plan for scrutiny.

5.6.6 Positive feedback from auditors:

- a) Scrutiny is well-placed to respond to future challenges. The Council has an active scrutiny function that benefits from a flexible approach:
 - The work of the Scrutiny Programme Committee and Performance Panels includes consideration of the Council's performance management, self-evaluation and improvement arrangements.
 - The Scrutiny Team is well regarded and as well as supporting the delivery of the work programme play a significant role in promoting scrutiny activity through the Council's website, scrutiny blog and social media.
- b) The scrutiny function regularly challenges decision-makers:
 - The Council holds an Annual Scrutiny Work Planning Conference.
 - There are arrangements for engaging in evidence based challenge of decision makers.
 - Meetings are well run with challenging and focused questioning from scrutiny members.
 - Cabinet Members are regularly held to account by scrutiny members.
 - The relationship between Cabinet and the scrutiny function is generally constructive, with Cabinet Member regularly considering and responding to scrutiny questions and recommendations.
 - Meeting settings / room layouts promote understanding of the distinctive roles of Cabinet and scrutiny members.
 - Q & A sessions with Cabinet members are well-structured– scrutiny members are well informed from the papers which support each session and build on previous questioning to develop lines of enquiry. Supports constructive dialogue between the scrutiny function and Cabinet.
 - The Council has sought to improve the way in which overview and scrutiny activity informs, and engages with, stakeholders – scrutiny members frequently invite stakeholders to provide evidence as part of scrutiny activity.
 - The Council has an established approach to promoting the work of its scrutiny function, particularly through social media and its website – Scrutiny Officers work with the Council's Communications Team to generate scrutiny content for Council news pages and press releases. The Scrutiny Team manage dedicated scrutiny web pages, blogs and twitter feeds. The Team also work with scrutiny members to produce Scrutiny Dispatches, a quarterly impact report to Council, and also produce monthly newsletters available to the public to subscribe to.
 - The Council tries to help the public and other stakeholders to understand the proceeding of scrutiny meetings, should they attend.

- c) The scrutiny function has arrangements to review its own effectiveness:
- Inquiry Panels reconvene to follow up on implementation of recommendations and difference made.
 - The Scrutiny Team monitors Cabinet responses to scrutiny letters.
 - The Council produces an annual scrutiny report to assess the scrutiny function's effectiveness as a whole.
 - Scrutiny Dispatches – focuses on achievements and difference made by the work of scrutiny.

For further information:

Making the work of scrutiny more transparent and accessible

All scrutiny agenda packs are now available on the Council's '[agenda and minutes](#)' [webpage](#). There you can also find all scrutiny letters sent to cabinet members following meetings and responses. All scrutiny meetings are open to the public and anyone living or working in Swansea can [suggest a topic for scrutiny](#). There are also opportunities to suggest questions, and [submit views](#). If you would just like to keep an eye on what's going on we have webpages, a blog and a newsletter, you could even follow us on Twitter – links below.

Connect with Scrutiny:

Address: Gloucester Room, Guildhall, Swansea. SA1 4PE (Tel. 01792 637732)

Email: scrutiny@swansea.gov.uk

Twitter: [@swanseascrutiny](https://twitter.com/swanseascrutiny)

Web: www.swansea.gov.uk/scrutiny

Blog: www.swanseascrutiny.co.uk

‘How scrutiny councillors are making a difference’

Is your child school ready?

(Lead: Councillor Hazel Morris)

Scrutiny councillors have identified ways in which children’s readiness for school can be improved, following an in-depth inquiry.

The cross-party Panel published its report earlier this year. Amongst its key findings the scrutiny inquiry found that:

- There is a wealth of evidence that suggests investment in early year’s services including children’s school readiness is hugely beneficial not only to children and their families, but society as a whole. There is evidence that this investment can help to break the cycle of disadvantage in our communities by changing children’s life chances.
- There are gaps in service provision for families in Swansea – for example multi-agency support via [Flying Start](#) is only available to around one quarter of children and families in Swansea. Whilst this is focused on areas of greatest need, there are children across Swansea who could benefit from this programme.

During evidence gathering the Panel saw many examples of good practice that helps make children and parents school ready. This included a visit to St Helen’s Primary School and Flying Start where they are aspiring to be a school that is at the heart of the community, and has been praised by parents. They also visited [Stepping Stones](#) and the [Swansea Children Centre](#) where they are working to develop children’s physical and emotional school readiness and preparing children and their parents for the transition to school.

All [nine recommendations](#) made by the Panel were agreed by [Cabinet in June](#).

The Panel Convener, Councillor Hazel Morris, said:

‘An interesting finding from our inquiry was that it is not only children and parents that need to become more school ready but schools themselves need to be more ‘child ready’. We felt that there could be more robust challenge for schools on this aspect. We have asked for guidance to be drafted on what constitutes a ‘child ready’ school and for schools and governing bodies to develop a community engagement strategy which clearly identifies how they will work with parents pre-school and in the early years. The inquiry looked at the cause and effect of school readiness and tried to identify practical steps that could be taken, informed by good practice, to help our children to be prepared. We need to keep early years high on the agenda and we hope that our recommendations go some way in helping to improve school readiness in Swansea. We recognise that successful outcomes depend on effective working between the Council, Health Board and Third Sector’.

Scrutiny has contributed to this vital debate by providing:

- Evidenced proposals that will lead to improved school readiness
- The views of key stakeholders
- Good practice / research elsewhere
- Raised awareness and increased councillor understanding about issues affecting school readiness

The Panel will meet in March 2018 to follow up on the actions taken to implement the scrutiny recommendations and assess the impact made by the inquiry.

Helping to support community groups

(Lead: Councillor Terry Hennegan)

The work of scrutiny has helped to improve the support provided to community groups and volunteers to run services in their own communities.

A [scrutiny inquiry](#) was carried out last year focussing on the Council priority to build sustainable communities, and was recently [followed up](#) to look at how its recommendations have been implemented and effect this has had.

Councillor Terry Hennegan, convener of the Scrutiny Inquiry, said: 'Our work looked at how the Council is developing and promoting community action that could sustain local services, and build capacity. We were pleased to find that there is now a stronger focus on supporting volunteer participation in relation to community buildings and open spaces, with a range of guidance material available. Overall we are happy with the delivery of actions against our recommendations, including action on improving communication with community groups and establishing an annual celebration of community work.'

The monitoring of this inquiry is now complete.

Emergency planning and resilience

(Lead: Councillor Mary Jones)

Scrutiny councillors have shone a spotlight on the Council's Emergency Management service, a topic of heightened interest across the UK.

A [Scrutiny Working Group](#) asked about the arrangements and resources that are in place, the level of preparedness for emergencies, and challenges to the service.

Amongst recommendations made, the Working Group asked for consideration to be given to establishing a formal Council Committee to monitor and support emergency planning. Scrutiny Councillors were also concerned whether there was enough communication and information with local councillors to support emergency planning and response, and asked for this to be addressed.

The convener of the Working Group, Councillor Mary Jones, said: 'Following our scrutiny meeting in October we wrote a letter to the Cabinet Member for Service Transformation & Business Operations and we are pleased that his response confirms action will be taken against each of the scrutiny recommendations, including the establishment of a Members Emergency Planning Forum.'

Improving School Governance

(Lead: Councillor Fiona Gordon)

Scrutiny recommendations to improve school governance were also [followed up](#) recently.

The Inquiry Panel reconvened in September and heard about progress with the implementation of recommendations and impact of the scrutiny inquiry.

The inquiry was credited with prompting reflection on the support and training provided to school governors, and highlighting the need for closer working between governing bodies and school challenge advisors.

The monitoring on the inquiry is now complete but the Panel has written to the Cabinet Member for Children, Education & Lifelong Learning with its view on how things have changed since the scrutiny inquiry and outstanding issues that need attention.

The scrutiny annual report for 2016/17

(Lead: Councillor Mary Jones)

Our [annual report](#) of the work of scrutiny was published and presented to Council in July. It aims to highlight the work carried out by scrutiny and show how scrutiny has made a difference.

Set out as a simple scorecard, the report highlights a small number of indicators to illustrate four performance questions, informed by the results of our annual scrutiny survey and feedback from those involved:

- How much scrutiny did we do?
- How well did we do it?
- How much did scrutiny affect the business of the Council?
- What was the impact of scrutiny?

In order to support continuous improvement for the scrutiny function the report provides a reflection on what has worked well and what has not worked so well, to prompt improvement action. For example, this means doing even more to:

- Promote and raise awareness of scrutiny across the organisation and to the public
- Engage with cabinet members to ensure maximum consideration and recognition of our work
- Increase the number of non-executive councillors involved in scrutiny

Chair's Roundup::

This is my first quarterly roundup of the work of [scrutiny](#) for 2017/18, as Chair of the Scrutiny Programme Committee.

Preparing for new year of scrutiny

We welcomed new and returning [councillors](#) following May's Council elections before preparing for a new year of scrutiny. Scrutiny Induction sessions were held in early June which provided an opportunity for better understanding of the role of scrutiny and how it can make a difference. We plugged the powerful opportunities that it provides for questioning, inquiry, monitoring, and providing challenge to decision-makers. We debated approaches to questioning and discussed key components of effective scrutiny.

Choosing priorities for 2017/18

A [new work programme](#) was agreed by the committee in July with a varied selection of topics, representing both continuity and renewal to ensure that scrutiny is always looking at the right things. This was informed by our annual work planning conference, open to all non-executive councillors to make suggestions and debate priorities. This involved looking back at the previous plan, considering the Council's Corporate Priorities, and thinking about views from the public gathered from various consultations.

With guiding principles in mind (strategic and significant, focussed on issues of concern, and representing a good use of time and resources) the committee agreed to continue with previous Performance Panels to monitor key services and retain focus on social services and education, but added a sixth to focus on regular monitoring of Development & Regeneration activities, given significant plans for city centre re-development and the Swansea Bay City Region Deal.

The programme also includes two inquiry topics, Regional Working (currently in progress), and Swansea's Natural Environment. In terms of one-off Working Groups a list of issues were identified and prioritised. Upcoming topics include Roads & Footway Maintenance, Homelessness, Community Cohesion, and Renewable Energy.

Questioning Cabinet Members

[The committee](#) has continued to focus on holding cabinet members to account and each month's meeting features a Q & A session with a Cabinet Member to discuss their work. As I write we are due to meet with the Cabinet Member for Environment Services in February. Acting as a 'critical friend' we question and challenge them on their priorities, actions, achievement and impact. We invite members of the public and all scrutiny councillors to contribute ideas to ensure the committee asks the right questions. A summary of each session and views of the committee are published in the form of a letter to relevant Cabinet Members. We have recently put questions to the Leader / Cabinet Member for Economy & Strategy, and Cabinet Members for Stronger Communities, Health & Wellbeing, Children, Education & Lifelong Learning.

Challenging proposed decisions

One of the ways in which scrutiny hold the cabinet to account is to carry out pre-decision scrutiny. This means questioning Cabinet Members on proposals, taking into account strategic impact, public interest and financial implications, and presenting views and any concerns to [Cabinet](#) ahead of decisions. Amongst these are Commissioning Reviews where Cabinet is taking significant decisions about the future of our services, under the backdrop of financial pressures and sustainability. Scrutiny has already looked at the Catering, Planning & City Regeneration, and Public Protection Commissioning Reviews. Other Cabinet reports looked at have included: Castle Square Regeneration, More Homes Pilot Scheme, and Liberty Stadium Lease Arrangements.

Monitoring the Public Services Board

We have a multi-agency Scrutiny Panel which aims to find out what difference the Swansea Public Services Board (PSB) is making for citizens. The Panel recently scrutinised the Draft Wellbeing Plan which has been developed by the PSB. The Plan is subject to [public consultation](#) until 13 February and Panel Members took the opportunity to make [comments](#). The draft final Plan will be reported back to the Panel before agreement by the PSB.

Preparing for an audit of scrutiny

We have been informed that Swansea's scrutiny arrangements are going to be the subject of a [Wales Audit Office](#) (WAO) inspection. They intend to review how 'fit for the future' the Council's scrutiny function is. As well as looking at the environment scrutiny is operating in, our practice, and its effectiveness, they are particularly interested in how some of the challenges facing the Council are being considered within scrutiny activity, such as the Wellbeing of Future Generations Act (and scrutiny of the Public Services Board), financial pressures, and regionalisation. WAO intend to observe a committee meeting in the New Year and a number of Performance Panels, and will be reviewing associated documentation and information about scrutiny in Swansea. Their fieldwork will take place during February when they will hold a small number of interviews with key officers and focus groups with key councillors. They will produce a report at the end of the review (around March), and also plan to arrange a shared learning seminar around April / May informed by findings not just here but across Wales.

Making the work of scrutiny more transparent and accessible

All scrutiny agenda packs are now available on the Council's '[agenda and minutes](#)' [webpage](#). There you can also find all scrutiny letters sent to cabinet members following meetings and responses. All scrutiny meetings are open to the public and anyone living or working in Swansea can [suggest a topic for scrutiny](#). There are also opportunities to suggest questions, and [submit views](#). If you would just like to keep an eye on what's going on we have webpages, a blog and a newsletter, you could even follow us on Twitter – links below.

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‘How scrutiny councillors are making a difference’

Developing regional scrutiny

(Lead: Councillor Mary Jones)

Scrutiny Councillors in Swansea have helped blaze a trail for regional scrutiny by working with Councillors from five other Councils. Together they are looking at the work of the regional school improvement alliance, known as ERW (Education Through Regional Working).

The purpose of the ERW Scrutiny Councillor Group, which was set up in September 2015, is to help ensure the best educational outcomes for children in the region by supporting effective scrutiny to:

- support consistent scrutiny across the six councils
- share scrutiny good practice
- encourage shared scrutiny approaches and avoid the duplication of scrutiny work
- provide critical and objective challenge to ERW on topics of interest as required
- contribute to the good and effective governance of ERW

At present this involves two meetings per year and each Council in turn hosts and chairs the meeting. The Group last met on 9 March 2018, hosted by Carmarthenshire Council and discussed the educational outcomes across the region, the effects of poverty in rural wales and progress with the recently established ERW Review and Reform Programme Board. They also met with the Welsh Government Cabinet Secretary for Education, Kirsty Williams, about the future of regional working.

After each meeting the Councillor Group writes a letter to the ERW Joint Committee feeding back their views and recommendations. The ERW Joint Committee is made up of the six local authority Leaders and advised by ERW Board of Directors, external school improvement experts, Headteacher representatives and the Managing Director.

For example the Group has raised concern, and called for action, on:

- the current capacity of Challenge Advisors across the region and consistency of support
- progress being made with the ERW Review and Reform Programme to ensure more effective working for pupils across the region

Swansea is represented by the Chair of the Scrutiny Programme Committee, Councillor Mary Jones, and Convener of the Schools Performance Panel, Councillor Mo Sykes. Councillor Jones said: ‘The fact that more and more services are being delivered on a regional basis presents a challenge for future scrutiny. There is a need for those involved in carrying out scrutiny to match the regional working to ensure the accountability and transparency of regional bodies. The experience of ERW scrutiny has been positive and could provide a model for developing scrutiny of other bodies, such as the Western Bay Health & Social Care Programme.’

Swansea’s Scrutiny Team is providing the support for the Scrutiny Councillor Group as the Council’s contribution to ERW. Regional work will become an increasingly important feature of scrutiny over the next few years so it is good that Swansea’s provision of support for scrutiny of ERW has worked well and been well received. The ERW Managing Director, Betsan O’Connor, has praised the work of the Scrutiny Councillor Group stating that: “It is coordinated well and the feedback is good”

The next meeting will take place in September 2018 and will be hosted by Neath Port Talbot.

Improving the welfare of tethered horses

(Lead: Councillor Jeff Jones)

There has been a significant progress and improvement in the welfare of tethered horses since scrutiny councillors shone a spotlight on this issue in 2016.

Having arranged a follow up meeting in January with the Cabinet Member for Environment Services, Council officers, and representatives from the RSPCA and FOSH (Friends of Swansea Horses) councillors have found that the outcomes have been positive and constructive:

- hotspot areas have been identified and action taken to inform the public that horses are not permitted, and these locations are now monitored on a monthly basis. This resulted in a reduction in the number of horses being tethered across these areas by 60% since May 2016.
- there has been work on education and building closer relationships with horse owners
- the ideas and suggestions from the original Working Group in 2016 have resulted in a framework for dealing with tethered horses in a partnership approach with the RSPCA and the Hillside Animal Sanctuary.
- the relationship between the Council, RSPCA and Hillside remains strong and effective and there are clear procedures for dealing with tethered horses in Swansea.
- the Council and partners have established a 'Swansea Equine Forum' to maintain communication and improvement.
- Friends of Swansea Horses (FOSH) have now disbanded as they feel their aims have been achieved, which is excellent news.

This has been recognised as an example of successful partnership working. The Working Group received positive feedback and thanks from the RSPCA and FOSH for their support and raising awareness of the issue through scrutiny. The Convener of the Working Group, Councillor Jeff Jones also highlighted that the improvements seen were a team effort which could not have been achieved without all agencies involved. He said 'We are pleased there has been great progress but we need to keep this momentum going and continue to improve the conditions at which horses are kept in Swansea'

Challenging our schools

(Lead: Councillor Mo Sykes)

Scrutiny councillors have been talking directly to schools to assess and monitor performance.

The Schools Scrutiny Performance Panel provides ongoing challenge to schools performance in order to ensure that pupils in Swansea are receiving a high quality education and that they are meeting objectives to improve schools standards and pupil attainment. As well as discussing a range of education improvement issues that affect all schools, the Panel identifies a small number of schools each year to engage directly with, based on relevant performance data. The Panel has recently focused on Morriston Primary School. The Panel met the Headteacher and Chair of Governors, and Challenge Advisor, to look at their current performance and prospects for improvements. The Panel praised the work going on at Morriston Primary and commitment to driving improvement at the school following an Estyn rating of 'adequate' last year. The Panel concluded that there was now a much improved picture at the school. Overall, councillors were pleased to see a strong leadership team at the school emerging along with a supportive and challenging governing body.

Looking at different ways in which scrutiny can engage with schools the Panel also met with pupils, headteachers, Chair of Governors and the challenge advisors for Parklands Primary and Olchfa Comprehensive Schools. The Panel found out about the collaboration work they are doing, as pioneer schools, in relation to the New Curriculum for Wales. They were able to ask pupils how they feel the new curriculum is improving their learning. Councillors were impressed with both schools' commitment and drive in improving the outcomes of their pupils. They recognised that both schools have embraced this opportunity to shape new practice.

Reviewing car park charges

(Lead: Councillor Will Thomas)

Scrutiny councillors have raised debate about the management of car parks and charges.

The Working Group discussed a range of issues relating to car parks and charging, including: the effect of winter charges; effect of charges on tourism and city centre footfall; and, quality of provision. As well as speaking to the relevant Cabinet Member and officers, the Panel was able to hear views from a number of members of the public about matters relating to foreshore car parks. The convener of the Working Group, Councillor Will Thomas, said: 'Following our scrutiny meeting in November we wrote a letter to the Cabinet Member for Environment Services and we are pleased that his response confirms action will be taken against each of the scrutiny recommendations, including looking at options as to how winter charges in foreshore car parks could be reviewed. One of the options is to look at increasing summer charges to compensate for a reduction in winter charges'

The Working Group had also raised concerns about the problems associated with car parking ticket machines across our managed car parks. The Cabinet Member has confirmed that officers have been working with neighbouring authorities, through the British Parking Association, to develop a joint procurement opportunity, which will provide a number of benefits including greater purchasing power, better technical support from the chosen manufacturer, and greater emphasis for any contractor to perform as failure will affect future contracts from this region. It is expected that combined procurement and bargaining power will bring about an improvement in the service.

Chair's Roundup:

This is my second quarterly roundup of the work of scrutiny for 2017/18, as Chair of the Scrutiny Programme Committee.

Progressing our priorities for 2017/18

We have made good progress over the year so far. The work programme is dominated by our six Performance Panels, which meet on an ongoing and regular basis. This has ensured a continued focus on monitoring performance of Adult Services, Child & Family Services, Schools, and the Public Services Board. The Service Improvement & Finance Panel keeps an eye on performance & spending across the Council. Our sixth and new Panel focussing on Development & Regeneration Panel is meeting quarterly. We have two in-depth inquiries in progress - our examination of Regional Working is almost complete and a final report will be published soon. Work on Swansea's Natural Environment has just started, and the Panel will be shortly agreeing the key question and focus for this inquiry which may take up to six months. We arrange Working Groups for a 'quick look' at issues and I am pleased that scrutiny has been able to look at the following issues so far: Emergency Planning & Resilience, Community Cohesion & Hate Crime, Car Park Charges, Tethered Horses, Roads & Footway Maintenance, Local Flood Risk Management, and Renewable Energy. All of this work leads to the views and recommendations for improvement, of scrutiny councillors, being sent to Cabinet Members. We also have arrangements in place to check on implementation of previous inquiry recommendations and assess the impact of our work. Because of good progress Councillors were able to conclude monitoring of the inquiries on School Governance and Building Sustainable Communities.

Questioning Cabinet Members

The committee continues to focus on holding cabinet members to account. Each monthly meeting features a Q & A session with a Cabinet Member to discuss their work. As I write we are due to meet with the Cabinet Member for Commercial Opportunities & Innovation in May. Acting as a 'critical friend' we question and challenge them on their priorities, actions, achievements and impact. We invite the public and all scrutiny councillors to contribute ideas to ensure the Committee asks the right questions. A summary of each session and views of the Committee are published in a letter to relevant Cabinet Members. We have recently put questions to the Cabinet Members for Future Generations, Culture, Tourism & Major Projects, and Environment Services.

Challenging proposed decisions

One of the ways in which scrutiny hold the Cabinet to account is to carry out pre-decision scrutiny. This means questioning Cabinet Members on proposals, taking into account strategic impact, public interest and financial implications, and presenting views and any concerns to Cabinet ahead of decisions. Amongst these are Commissioning Reviews where Cabinet is taking significant decisions about the future of services, given financial pressures and importance of sustainability. In the last quarter scrutiny has looked at the Commissioning Reviews on Family Support (Child Disability) and Highways & Transportation, as well as Cabinet reports on the Council Budget, and the Transfer of Allotments to Management Associations.

Appointing Education Scrutiny Statutory Co-optees

We have a seat for parent governor representatives and church representatives on the Scrutiny Programme Committee who will be able to participate in scrutiny of education services. We have invited interest to fill vacant positions, and await the outcome. We look forward to their contribution to scrutiny.

Raising Awareness of Scrutiny

Whether members of staff have just started working for the Council or have many years of service there's a good chance that no one has ever explained what scrutiny is all about. We've recognised that we need to raise awareness amongst council staff. We have tried to bridge the gap by putting together a staff news story to explain the 'why', the 'how', and the 'what' of scrutiny and spread the message, and the feedback has been good. This could also be a good starting point for anyone, not just council officers, to learn about scrutiny.

Getting feedback

One of the hallmarks of an effective scrutiny function is one that reflects on and learns from experience. For this reason we have been busy over the last month carrying out our Annual Councillor Scrutiny Survey. We will be closely looking at the results to help guide future practice. Also, we are currently inviting feedback from senior members of staff, and will shortly be issuing a public survey. The surveys also help us to collect views about the focus of future scrutiny. Any topic suggestions received will be fed into the upcoming Scrutiny Work Planning Conference.

Awaiting the results of the audit of scrutiny

As well as survey findings we await with interest the view of the Wales Audit Office (WAO), who recently carried out a review of our scrutiny arrangements. Their review focussed on assessing how 'fit for the future' the Council's scrutiny function is, looking at the environment scrutiny is operating in, our practice, and its effectiveness. As well as desktop research, the WAO held a number of focus groups with Councillors, interviewed key officers, and observed meetings. We understand that WAO will issue a report but also are planning a shared learning seminar informed by findings not just here but across Wales.

Making the work of scrutiny more transparent and accessible

All scrutiny agenda packs are available on the Council's '[agenda and minutes](#)' webpage. There you can also find all scrutiny letters sent to cabinet members following meetings and responses. All scrutiny meetings are open to the public and anyone living or working in Swansea can suggest a topic for scrutiny. There are also opportunities to suggest questions, and submit views. If you would just like to keep an eye on what's going on we have webpages, a blog and a newsletter - you could even follow us on Twitter – links below.

Councillor Mary Jones

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Agenda Item 17.



Council – 25 October 2018

Councillors' Questions

Part A – Supplementaries

1	<p>Cllrs Chris Holley, Kevin Griffiths & Sue Jones</p> <p>Will the Cabinet Member tell Council what provision is there for people when the Day Centres in the The Hollies and Rose Cross House cease and where will that provision be.</p> <p>Response of the Cabinet Member for Care, Health & Ageing Well</p> <p>Day Services for Older People will still be maintained at St Johns, Ty Waunarlwydd and Norton Lodge. In addition to this, services will continue to be externally commissioned at 3 additional sites. All service users affected at The Hollies and Rose Cross Day Centres are currently having a social work assessment to determine move on arrangements. These assessments will match those with complex needs to a suitable place based on their individual needs and geographical preferences, and alternative services are being agreed with each individual concerned. A small number of service users have been assessed as having non-complex needs and are consequently being supported in other ways to have any remaining eligible needs met rather than attend a day service. In addition, a small number of service users have decided that they wish to leave the service and this will also be supported in line with their wishes.</p> <p>It should be noted that if the proposals of the council in 2011, then controlled by the Liberal Democrats and Independents, to move all of Adult Social Services in to an independent organisation, none of these Day Services Centres would be owned by the council, none of the services would have been provided by the council and so none of these decisions taken in the interests of vulnerable older people in Swansea would be in the power of the council to make.</p>
2	<p>Cllrs Mary Jones, Mike Day & Jeff Jones</p> <p>Will the Cabinet Member give us an update of the progress with the letting of the 360 and the Swiss Cottage.</p> <p>Response of the Cabinet Member for Business Transformation & Performance</p> <p>The lease of the council-owned Beach and Watersports Café became available when Bay Sports, the operator who had run the site for five years, decided to end their tenancy - and to close on September 5.</p>

	<p>Our aim is to secure a top quality new tenant who will offer a strong service to the public and best value to council tax payers.</p> <p>To help achieve this, we advertised the lease via property agent EJ Hales from August 14-September 21. We promoted it via social media and through news coverage in the local and regional press.</p> <p>We received 14 high-quality responses.</p> <p>Officers are analysing and evaluating them to ensure the best possible outcome. The plan is to finalise the position by the end of this month (October).</p> <p>We have a preferred tenant for the Swiss Cottage and continue discussions with them.</p> <p>Our aim is to secure a top quality tenant who will deliver best value to council tax payers and in line with the wider aspirations for Singleton Park.</p> <p>Officers plan to recommend a preferred option to Cabinet Members by the end of March.</p>
	<p>Part B – No Supplementaries</p>
3	<p>Cllrs Mike Day, Cheryl Philpott & Chris Holley</p> <p>Now that the Parkway Residential Home Sketty is closing can the Cabinet Member comment on whether the commitment that a “home for life still applies”.</p> <p>Response of the Cabinet Member for Care, Health & Ageing Well</p> <p>It is not unusual for people to move on from homes which only provide standard residential care, as needs increase and nursing support might be required. In any home in Swansea such as Parkway which only offers standard residential care, if an individual’s needs change and nursing care is required it would not be safe for them to remain in the home. Therefore, arrangements would be put in place to find alternative suitable accommodation in line with their needs unless they approaching end of life and staffing could be put in place on a very temporary basis to make them as comfortable as possible.</p> <p>It should be noted that if the proposals of the council in 2011, then controlled by the Liberal Democrats and Independents, to move all of Adult Social Services in to an independent organisation the council would be providing no homes for any older people; everyone’s needs would have to be met entirely externally, whether temporarily or for life.</p>
4	<p>Cllrs Wendy Fitzgerald, Peter Black & Graham Thomas</p> <p>Will the Cabinet Member confirm the current figures for potential savings following the closure of Parkway Residential Home.</p> <p>Response of the Cabinet Member for Care, Health & Ageing Well</p> <p>The projected annual saving for the closure of Parkway is £465,608 per annum. This takes account of the proposed third party top up fees and fees that the Local Authority will need to pay to place eligible residents elsewhere.</p>

	<p>It should be noted that if the proposals of the council in 2011, then controlled by the Liberal Democrats and Independents, to move all of Adult Social Services in to an independent organisation, the Council would be providing no residential care directly to any of its vulnerable citizens, so changing the model of provision to provide sufficient reablement to meet demand, and enable people to stay in their own homes as they wish would not be something this council could offer so wouldn't be available to the people of Swansea. Likewise the increased Respite provision to give Families and Partners a break from supporting their loved ones so enabling them to support their loved ones to live at home for longer, perhaps the rest of their life, would not be available to the people of Swansea. Similarly, the provision of sufficient care beds for those with complex care needs would be down to the local market; the Council could not adjust its provision to ensure this was not a worry for older people and their families should this need arise.</p>
5	<p>Cllrs Chris Holley, Mike Day & Jeff Jones</p> <p>In response to the questions in scrutiny about official Trade Union responses in the consultation on the commissioning reviews it was stated that that while no formal response had been received the Trade Unions had made their views known. Can the Cabinet Member or Leader tell Council what the comments from the Trade Unions were and in which forum they were made, similarly were any responses made by ABMU if so what were the responses and how were they communicated.</p> <p>Response of the Leader/Cabinet Member for Care, Health & Ageing Well</p> <p>With respect to the Trade Unions, there was good engagement between Management and Trade Unions during the Commissioning Review process. Before the initial Cabinet papers went live in April an initial meeting was held between management, HR and the Trade Unions to explain the proposals and following this initial meetings held with staff. On 1st May, once the consultation went live, a further meeting was held with the Trade Unions and again there were joint visits to inform staff and answer questions. Further staff consultation meetings were held in each service and then 1 to 1s held with each individual staff member during May and June where Trade Unions were present at the invitation of staff members if requested. A further meeting was held with the Trade Unions on 20th September when the Cabinet decision was taken to inform them of the outcome There has been strong engagement with the Trade Unions throughout the process, and they have worked well with management to address any concerns with staff as and when they have happened. In our view therefore, a formal response was not submitted as all issues were addressed and mitigated throughout the consultation process and it was therefore not necessary to formally raise additional concerns.</p> <p>In relation to the ABMUHB response, online questionnaires were completed. In relation to the residential care review, ABMUHB raised concerns surrounding the reduction of capacity through the proposed closure of Parkway and whether there was sufficient market capacity to meet this reduction in beds. They also queried whether the home could be taken over by an independent provider. Both of these issues were addressed in the report that was considered by Cabinet. In terms of the proposed reduction in beds, the vacancy levels in the</p>

	<p>independent sector are sufficient to meet current and future demand. In relation to whether the home could be run by an independent provider in the future, this is something that was considered and will be looked at again at the time that Parkway closes. With respect to the response to the day service review, ABMUHB was broadly supportive of the proposals particularly a model that supported complex needs. They did however raise concerns about whether the proposed closure of the Hollies would leave those living in that part of the County without a service and whether there could be any impact on delaying hospital discharges from Gorseinon Hospital. The first point was referenced in the report, and there is an alternative day service in Llys Y Werin in Gorseinon so this part of the County is already served and there are also currently a very small number of individuals attending the Hollies. In terms of hospital discharges, availability of day service support is not a factor that affects hospital discharges. Discussions have since taken place with the Health Board surrounding the concerns that they have raised and the Health Board has confirmed that it is supportive of a model that promotes respite, short term reablement and more complex needs.</p> <p>It should be noted that if the proposals of the council in 2011, then controlled by the Liberal Democrats and Independents, to move all of Adult Social Services in to an Independent organisation, had been realised then the Council would not be undertaking commissioning reviews for Residential and Day services to ensure they became Sustainable, work in a preventative manner and help people be healthier, because it would no longer provided either of these services. Neither would it have gone to consultation with the Trade Unions, ABMU or any other organisation or individual in Swansea on proposals to focus on reablement for people to stay in their own homes as they wish as it would not be something this council could offer. Likewise consultation to increase Respite provision to give Families and Partners a break from supporting their loved ones would be pointless as respite would not be available to the people of Swansea from the council. Similarly, the provision of sufficient care beds for those with complex care needs would be down to the local market; the Council could not consult on adjusting its provision to ensure this was not a worry for older people and their families should this need arise as it would be providing no care beds.</p>
6	<p>Cllrs Peter May and Irene Mann</p> <p>“Council to insert additional monitoring indicator to track the average proportion of HMOs within areas subject to additional licensing and/or within the designated Management Area.”</p> <p>The numerator of the proportion should be the number of HMOs.</p> <p>a. Is the council going to rely on the solely on the number of Licensed HMOs from the public register at the point in time that the reading is taken.</p> <p>The denominator of the proportion should be the total number of properties in the areas being considered.</p> <p>b. What basis will be used to ascertain the total number of properties. e.g. Will individual flats within a house each be counted as a single property or will the house itself count as a single property, and will there be any types of residential properties excluded from the denominator.</p>

In the two Lichfields' reports percentages were stated for the proportions of HMOs in LSOAs.

- c. Precisely which residential properties were used for determining the denominator for these percentages and what data did the council rely on to determine them.

Response of the Cabinet Member for Delivery

The Deposit LDP policy on HMOs has been amended during the course of the Examination to ensure it includes a more prescriptive definition of what constitutes 'harmful concentration/intensification', and define the actual HMO threshold limits that will apply. The amended policy sets out a threshold cap of HMOs not exceeding 25% of all residential properties within the existing high concentration areas (which is designated a 'Management Zone'), and for a 10% threshold to be imposed across all other areas. The content of the relevant Policy (H9) was discussed at Examination Hearing Session 19. The only further change to Policy H9 sought by the Inspectors following the hearing, which was in response to a request made at the hearing session by Cllr Clive Lloyd, was to amend the supporting text to recognise the potential for considering noise insulation in all types of HMOs, not just large properties. The only other change requested was to insert an indicator within the Monitoring Schedule (which is an Appendix to the Plan) to track the average proportion of HMOs within areas subject to additional licensing and/or within the designated Management Area to help understand over time the effectiveness of the policy. No other further changes to the LDP were sought by the Inspectors in relation to HMO matters. The Matters Arising Changes to the LDP policies are due to be subject to public consultation later in the year. The changes include the abovementioned reference to the potential for noise insulation measures for all HMO properties, and the following monitoring indicator:

Indicator	Policy Target	Trigger Point	Data Source
Local Indicator: The proportion of HMOs within the Castle and Uplands Wards, having regard to the overall numbers of registered HMO properties as a proportion of the residential properties.	To ensure the number of HMOs as a proportion of the total number of residential properties within the HMO Management Area does not significantly exceed the 25% threshold	Average concentration of HMO's within the LSOAs of the HMO Management Area either reduces or increases by +/-2% from the base level, which is currently around 25%	CCS databases

	<p>The monitoring calculations for the indicator will use as the numerator the number of HMOs recorded on the Council maintained public register, supplemented by any other available records at the time that is within the public domain to ensure monitoring is open and transparent. The denominator for the calculation will be the total number of residential properties as recorded by the Local Land and Property Gazetteer, which identifies each separate residential address including individual flats within a property and all tenures. This is consistent with the approach used by consultants Litchfields in their research that has supported the LDP policy, which also used the Local Land and Property Gazetteer (issued to the consultants under licence).</p>
7	<p>Cllrs Peter May and Irene Mann</p> <p>The council used to have a national performance indicator which was withdrawn in 2015. The indicator read as follows. “PP1 - Of the houses in multiple occupation known to the local authority, the percentage that have either a full licence or that have been issued with a licence with conditions attached”.</p> <p>In its last annual report (2014-15) it was cited as a failing indicator in the red category. The quoted percentage was 86.12% when the target was 93%. The trend was also noted as being downward from the previous year.</p> <p>The reason that was given for the failure was: “Target not met due to increased number of landlords selling properties/taking them out of multiple occupation. Properties which have been sold and then require new licences create additional demands, but do not result in increased number of licensed properties. Work to clear backlog ongoing.”</p> <p>On withdrawing the indicator, the report presented to cabinet on 16th July 2015 stated that a “new local indicator was being developed.”</p> <p>a. Three years on from the report, has the local indicator ever been developed and if so what were the quarterly results that it showed? (In the form of a table please)</p> <p>In preparation for the new H9 policy for the LDP which includes a defined percentage threshold, the council have stated to the examiner that: “In order to understand the full extent of HMOs within the 50m radius the LPA will, for proposals in Uplands and Castle Ward, use the Council’s public register of licensed HMOs as the basis for the calculation.”</p> <p>Accurate and robust calculations are paramount to satisfy public confidence and the inspector.</p> <p>b. What improvements have the council made to rectify the failing PP1 indicator of 2015 and how have the impact of these improvements been measured to ensure that percentage data is robust accurate and defensible.</p> <p>Response of the Cabinet Member for Delivery</p> <p>a. National PI PP1; of the houses in multiple occupation known to the local authority, the percentage that have either a full licence or that have been</p>

issued with a licence with conditions attached, was deleted by Welsh Government at the end of 2014/2015.
 The PP1 result for Swansea Council in 2014/2015 was 86% (1,495 licensed HMOs out of a known 1,736 HMOs).
 In 2015/2016 a local PI was introduced; HMO1, the number of houses in multiple occupation that have been issued with a licence. Reported quarterly results are included in the table below.

Year	Year end target	Result Q1	Result Q2	Result Q3	Result Q4
2015/2016	1,540	1,566	1,557	1,613	1,611
2016/2017	1,560	1,638	1,619	1,650	1,660
2017/2018	1,600	1,638	1,661	1,676	1,679
2018/2019	1,600	1,695			

b. PP1 was deleted by Welsh Government as it could not be compared across local authorities and was not an accurate measure of performance given that not all HMOs require licensing and not all local authorities have a large number of HMOs with their areas.

Swansea Council's subsequent local PI is a numeric figure rather than a percentage as a response to Welsh Government's concerns about PP1. It shows an increasing number of HMOs being licensed. The annual targets have been set to aim to maintain a level of licensed HMOs throughout each year irrespective of property sales, change of use and licence renewals as dictated by the local market. It is expected that the number of licensed HMOs will fluctuate throughout each year relative to market conditions.