Cyngor Abertawe
Swansea Council

Council – 26 July 2018

Councillors' Questions

Part A – Supplementaries

1	**Cllr Jeff Jones, Chris Holley & Mary Jones** The Leader has previously given a figure of £520 million as the present average estimate of debt held by the Authority rising to £570 million in 2021/2022. In addition to the £32 million per annum that presently services this debt, the Leader has also provided a forecast of increases in financing charges of £1.5 million in 2018/2019 rising to £15 million in 2025/2026. He has also stated that the projected figures did not include the City Centre and City Deal projects. With these projects in mind will the Leader state what will the additional borrowing requirements be to service these projects and what will be the additional cost of financing these borrowings. Will the Leader also state what affect this will have on an already pressurised revenue budgetary situation in these times of austerity. **Response of the Leader** I have already responded to previous questions on this matter and drawn attention to the agreed budget, medium term financial plan and treasury management strategy. This included inherited borrowing of £79m taken out by the previous administration on schemes such as the LC and the Guildhall. The overall financing forecasts reflect the policy intention to borrow up to a net £200m taking into account City Deal direct financing. The borrowing is a gross figure and does not take into account income generated by the assets we will be creating. This includes the value of retained business rates, rental income from city centre developments or uplift and increases in capital values of our existing assets as we add value to our city centre and city region. Nor do they account for the significant economic uplift from such developments including improving the GVA of the city and region. The Arena development alone is projected to contribute £40m per annum to the local economy. Therefore in less than 3 years of operation the arena will have delivered more than its construction cost into the economy of Swansea. The MTFP sets out the S151 officer assumptions as to the peak of funding requirements at £15m (gross) recognising that this Council has an ambitious plan to deliver over a shorter timeframe than the city deal funding. This may

	be reduced or offset by the income streams above. In addition it has always been a key aim of the Swansea Bay City Deal to deliver all 11 projects in parallel to ensure the most positive economic impact is generated in the shortest period of time. The overall capital financing costs for this council will rise on these assumptions from around 7% to just over 10% of revenue spending. It is worth noting that we are at a time of historical low cost borrowing. To emphasise this point we can now borrow approximately £2 for the same cost as £1 in 2007/08 when £27m borrowing alone was taken out for the LC refurbishment. As well as servicing that debt at interest rates nearly twice what they now are, there has been an ongoing revenue subsidy to the LC averaging over £800k per annum over each of the past ten years. The operators of the Arena will be paying sums to the Council, not the other way round. Given all of the above the s151 officer and I do not consider that this represents a disproportionately large sum of our annual income to spend on the "repayment", especially as the long term benefit of creating new income streams from the council is so important to future council financing. There will continue to be significant pressures on all budgets and this does undoubtedly add to the burden in the very short term. However in the absence of any fair, reasonable and realistic long term revenue funding from Westminster, via the Welsh Government, I and this administration will continue to look to not only maintain what the Council does now, but ensure Swansea regains its position as a leading UK city destination and develop and grow Swansea to be fit for the wellbeing of future generations.
2	**Cllr Linda Tyler-Lloyd** I was encouraged to read in the Swansea Leader that the council is recruiting new apprentices, I understand that the parks services will be benefiting from this initiative, within 10 years every gardener will have retired from the Botanical Gardens and Clyde Gardens, when they go so does their horticultural knowledge and expertise. My question is, where will the apprentices be based. And what Royal Horticultural Society qualifications are they undertaking as part of the scheme. **Response of the Cabinet Member for Environment & Infrastructure Management** It is indeed good news that the Council is creating employment opportunities and developing talent for the future through Apprenticeships. In is intended to recruit two Gardener Apprentices to be based at Clyne Gardens and the Botanical Gardens, gaining knowledge and experience at both of these sites. It is absolutely essential that the knowledge and experience of the excellent staff at these sites is not lost. The specific qualification options are still being explored, and they could be a Royal Horticultural Society course, or a Horticultural NVQ course.

3	**Cllrs Mary Jones, Mike Day & Jeff Jones** Since the introduction of the Squids payment scheme for school meals and the recent email telling parents/ carers that any account that is under £10 in credit will result in no meal being provided, will the Cabinet Member tell Council how many children have been refused a meal since the introduction of this scheme last year. **Response of the Cabinet Member for Education Improvement & Learning** There has been very positive feedback from schools since the introduction of the SQUID payments scheme for school meals and, since these changes we are not aware of any child having been refused a meal. To clarify, the SQUID system has been set up to allow parents a maximum of 5 meals in arrears. This is to allow parents a week buffer, while at the same time discouraging them to run up a large, possibly unmanageable debt. The usual process is that as soon as there is no credit in a child's account, the school contact the parent to load the account or bring a packed lunch in for their child. The school have discretion to provide the child with a meal, meeting the cost until the parent pays them.
4	**Cllrs P Hood-Williams, L Jones , W Thomas & M Langstone** In the 2018/19 City and County of Swansea Council budget, Council Tax was increase by virtually 5% and Council house rents were increased by almost 7%. Can the Leader explain how these increases are compatible with the Council's laudble policies of Poverty Reduction and Poverty Prevention. **Response of the Leader** Council has to balance a range of competing priorities and deal with the long lasting consequences of prolonged austerity made in Westminster. If Wales and subsequently this Council got a full and fair share of funding recognising fully all the pressures placed upon us all by demography (e.g. adult social care) and decisions outside of our hands (e.g. national pay awards, the Apprenticeship Levy, all imposed, all unfunded) then Council could have considered alternatives this year and every year. I will always want to maintain and indeed improve services be they general fund or housing revenue related and indeed want to invest further to regenerate and revitalise our city to create jobs and employment opportunities. As a Council with social care and education responsibilities, its increases in council tax are not out of line with the majority of others in England or Wales. Those on low incomes are protected from the full impact of the headline

	increases by the Council Tax Reduction Scheme, part paid for by Welsh Government, the rest of it of course paid for by this Council. As we have all come to expect, not a bean of this safety net is funded from Westminster. In terms of housing this Council intends to meet the Welsh Housing Quality Standard and as Leader I am immensely proud that this Council is, for the first time in a generation, building new council houses. That is why we have raised rents by the maximum allowed by the Welsh Government to improve the current stock for current tenants and invest in new stock for new people to have the opportunity to have a quality home, built to high environmental standards, to live in. The majority of tenants do of course receive partial or full housing benefit or rent allowance which again mitigates the headline rise for those on lower incomes.
5	**Cllrs Peter Black, Chris Holley & Mary Jones** Will the Leader outline the full revenue costs to the council of the new Arena building including capital repayments and any envisaged subsidy**.** **Response of the Leader** The business case for the Arena is currently going through the UK/WG business case approval process and will in due course also go through the City Deal Joint Governance Committee. As I have repeatedly made clear it will also come before this Council for the opportunity for discussion and decision once we know it has cleared these approval mechanisms which are necessary to unlock City Deal funding which supports part of the cost. I can assure that a full case will be set out before a final decision to commit this Council is made. I would expect the case to be considered by the autumn.
6	**Cllrs Wendy Fitzgerald, Gareth Sullivan & Graham Thomas** What income/savings is the council deriving from solar panels situated on council buildings and when is it envisaged that the cost of installation will be repaid in full. **Response of the Cabinet Member for Homes & Energy** The income and savings fall into three categories all of which are variable Firstly the UK Government set up Feed-in Tariffs (FiT) which have reduced from 41.4 p/kWh in 2010 to 4.00 p/kWh in October 2017. The FIT rate is guaranteed for between 20 and 25 years, depends on the date when the panels were installed. This incentive was intended to “kick start” the market which largely was successful resulting in a significant reduction in the installation costs over the same period. Actual costs depends on a range of factors including the size of installation, which vary depending on site specifics. The typical cost range would be circa £5000/KW in 2010 to £1500 per KW in 2017. Typical payback period would be 8 to 12 years.

	Secondly, Solar panel returns are a balance of income from the Feed in Tariff and savings on electricity bills. As Feed in Tariff levels have reduced and electricity bills have risen over the years, this balance has shifted. Since the latest tariff cuts in February 2016, savings are now a larger part of the return from solar PV than tariff income. Typically a system of 40 KW can reduce electricity by £2,080 per annum and result in an addition export tariff for unused electricity of £2,330 per annum giving a total saving of £4,410 per annum, and a reduction of 35 tonnes of CO2 being produced. Thirdly unused electricity in exported back to the grid at typical rates of 4.01p/KWh for general tariff and 5.24p/KWh for export tariff. As can be seen the increasing importance of electricity savings also means that maximising savings by using as much free solar electricity as possible, as opposed to exporting it to the grid, is likely to have a big impact on our return on investment. This has implications for battery storage and other add-on technologies that aim to maximise the productive use of free solar electricity on-site, thereby increasing savings. In addition to directly installed systems, the council has also set up SCEES (Swansea Community Energy & Enterprise Scheme) which is a new unique community owned renewable energy company which was established by Swansea Council who invested £100K which will be paid back over a 20 year period plus interest. This is an investment rather than a 'cost to authority' and the council receives 6% return and the capital is repaid. We have been repaid 6% interest and 5% capital this year as projected. SCEES is now run independently by a group of local Directors, including Councillor Andrea Lewis the Cabinet member for Homes and Energy who is a board member. They develop and manage renewable energy projects for the benefit of residents in some of the more deprived areas in Swansea. SCEES was set up in 2015 to develop community owned solar projects in and around Townhill and Penderry. During August and September 2016 they installed Solar /PV panels on 9 schools and 1 care home in the areas of Townhill and Penderry in Swansea. These sites typically pay approx. 7.7p/KWh instead of the 13p/KWh they would pay from a typical energy supplier. Up to £500k surplus profits from the scheme will be used to fund skills and enterprise development in some of the poorest communities within Swansea. Whilst the needs of the community are likely to change over time, these funds will be spent on new renewable projects, energy efficiency, low carbon transport, tariff switching, energy awareness, community spaces, enterprise development, business start-up costs, skills development, training and tutoring.
	Part B – No Supplementaries
7	**Cllrs Peter May & Irene Mann**

	On 13th April the LDP inspector wrote to the council saying that LDP examination had been suspended. One of the reasons was that the proposed policy LDP on HMOs needed improving. What is the new timescale for the examination and subsequent delivery of the LDP. What opportunities for participation in the examination are there. **Response of the Cabinet Member for Delivery** The timescale for the delivery of the LDP is set out in the Delivery Agreement (July 2017). This states that the LDP Examination will run until Spring 2018. The Examination has in fact run for a longer period and has lasted to Summer 2018. To reflect this update, Plan adoption is currently anticipated by the end of 2018. This timetable is subject to the date of receipt of the Inspectors Report, which the Planning Inspectorate expects to submit to the Council by Autumn 2018. The Matters Arising Changes version of the LDP will be subject to a minimum 6 week public consultation, which will provide an opportunity for anyone to submit their comments on the amendments made to the Plan during the examination. It is currently anticipated that this will be carried out during September-October 2018. Precise dates for consultation will be widely publicised once they are established, with the agreement of the Planning Inspectorate.
8	**Cllrs Peter May & Irene Mann** The statement from the council to the LDP examiner contains the proposed method for calculating the percentage of HMOs in a particular area. This percentage will be compared to the threshold in the LDP when a planning application for a new HMO is determined. Below are elements of the calculation from the council's statement: "5.23 The LPA will assess the concentration of HMO properties within a 50 metre radius of the HMO planning application proposal. The radius will be measured from the centrepoint of the proposed property's street frontage. 5.24 All residential properties falling within planning use class C3 will be included as part of the count. For the avoidance of doubt this includes social housing. 5.25 Flats will be counted as individual properties where these have a front entrance onto the same street as the proposed HMO property." When providing reports for the planning committee to determine applications. The report calculates the percentage by a totally different method altogether. This is demonstrated in the paragraph below extracted from an report written by officers for an application heard by the planning committee on 6th March 2018.

"St Helens Avenue contains 214 residential properties, 88 of which are registered as HMO's alongside two shops and a business use. The corner of St Helen's Road contains an empty Church building which was most recently used as a restaurant and a bar to the other side. Brynymor Road, which backs onto the application site, contains a number of commercial properties. It is noted that No.198, which is on a corner plot, is not a registered HMO property and No.200 is registered. The conversion of the existing dwelling would result in the concentration of HMOs increasing from 41.12% to 41.58%. Taking into account the volume of commercial properties in the local area and the existing high numbers of HMOs in neighbouring streets it is not considered that the proposed conversion would result in an unacceptable harmful concentration relative to the existing circumstances."

The method provided by reports to the planning committee to calculate HMO density differ significantly than the one that the council is proposing for the future in two ways.

1. Instead of using the proposed 50m radius method to ascertain the total number of properties, the council are using the total number of properties in a street. In this case 214.
2. Instead of including all residential properties and flats in the total number of properties as proposed in para 5.24 and 5.25 , the council are only counting one front door. Including all properties and flats would make the total 250 rather than 214 according to separate House ID data from the Council.

The current method used by the council to inform the planning committee therefore presents a much higher percentage of HMO density than the proposed method contained in their statement to the LDP examiner for the future.
In plain terms, percentages which now are calculated as 11% under the current method could come out as 8% under the future method. If the threshold was 10% the current method would give the impression to the planning committee that an application would be recommended for refusal. In reality though, under the council's new counting proposals, it would be recommended for approval.

Wouldn't it be more beneficial to the committee to provide them with percentages based on a method of calculation that is consistent with their proposed policy and the actual recommendations that it is likely to provide future planning committees when considering their decisions.

Response of the Cabinet Member for Delivery

There is no evidence to indicate that alternative methods of calculation would indicate either higher or lower percentages or concentrations of HMO's in a particular area as much will depend upon the character of that area and the circumstances that apply in each case.

The proposed LDP policy, which advocates a 'radius approach', currently carries no material weight in the consideration of HMO planning applications. The precise requirements and proposals of the policy are still subject to

	deliberation as part of the LDP examination. Current applications must, therefore, be considered under the provisions of existing UDP policy. As the previously produced draft Supplementary Planning Guidance on HMO's was been adopted, following the decision of Planning Committee in July 2017, there is currently no established or agreed mechanism or threshold for establishing what constitutes a harmful concentration or intensification of HMO's in an area. Each application must therefore be considered on its own individual merits at the time of determination. The likely recommendation at any future Planning Committee following the adoption of the LDP is not therefore a material planning consideration at this stage.
9	**Cllrs Peter May & Irene Mann** The 'Uplands 4' Lower Super Output Area is entirely contained within the council's proposed HMO management zone which would allow a 25% HMO threshold. In their statement to the LDP examiner, the council's own figures state that the Uplands 4 LSOA only contains an HMO percentage of 16.8%. Why is a policy being proposed to allow scope for a substantial increase the number of HMOs in the Uplands 4 LSOA. **Response of the Cabinet Member for Delivery** The LSOA referenced in the question, with a 16.8% HMO concentration, is located between those LSOAs that have concentrations of 24.3% and 19.5%. It is located close to University buildings, has a number of localised high concentrations of HMOs, and also contains property types suited for use as HMOs as well as family homes. A boundary that sought to omit the 16.8% area would lack clarity and legibility, would not reflect the evidence and would not provide for the very modest additional number of HMOs over the LDP period in this area, at a particularly sustainable location.
10	**Cllrs Peter May & Irene Mann** According to the HMO public register the capacity of an HMO can vary between 3 and 58 people. In the council's statement to the LDP examiner regarding their proposal for the HMO policy, only the amount of HMOs are mentioned. There is no reference throughout the statement to the numbers of people living in them. How does the council propose to explain to the LDP examiner that they are trying to justify a proposing a housing policy without considering the number of people living in the houses. **Response of the Cabinet Member for Delivery** The amended LDP policy on HMO development sets out a number of criteria that will be used to assess the suitability of proposals. This includes consideration of the number of HMO properties already located within the surrounding area. This policy approach is considered clear, legible and evidenced based. It is consistent with the broad policy framework used by a number of other Authorities for determining HMO proposals. A policy approach of attempting to consider the number of occupants at each HMO in

	the area at the time of any given application would lack clarity and is not considered a reasonable or workable approach.
11	**Cllrs Peter May & Irene Mann** The timing of the exodus of some 4,000 HMO tenants coincided with the Air Show and the Half Marathon. These events attracted a high degree of visiting footfall through the Brynmill area. There was large effort from community volunteers to clear rubbish from outside HMOs, to help put the city in a good light. Despite these efforts to mitigate the effect, visitors to the city had to negotiate split refuse bags and food waste to access the coast. Can we have an undertaking that there will be a properly thought out and coordinated plan for next year to prevent the same situation occurring. Could local members also be involved at every stage to assist with the design of the plan. **Response of the Cabinet Member for Delivery** The amended LDP policy on HMO development sets out a number of criteria that will be used to assess the suitability of proposals. This includes consideration of the number of HMO properties already located within the surrounding area. This policy approach is considered clear, legible and evidenced based. It is consistent with the broad policy framework used by a number of other Authorities for determining HMO proposals. A policy approach of attempting to consider the number of occupants at each HMO in the area at the time of any given application would lack clarity and is not considered a reasonable or workable approach.
12	**Cllrs Peter May & Irene Mann** In their statement to the LDP examiner, the council have proposed an HMO management area where up to 25% of properties can be converted into HMOs. The rest of the city enjoys the benefit of only allowing 10% of properties to be HMOs. In their statement to the LDP examiner, the council are proposing an HMO management area. The proposed 25% area in their statement is an enlargement of the original proposed area that was presented to the planning committee for the SPG on 4th July 2017. Initially, the proposed HMO management area terminated at the ward boundary running along Phillips Parade and Duke Street. There has been a small annexation to the east and the area now terminates along the centre line of Nicholl Street. This annexation has created the following perverse result: Nicholl Street has now been split between the two zones. On the 25% side there are 16 houses, 1 of which is an HMO giving a percentage of 6.2%. On the 10% side there are 15 houses, 5 of which are HMOs giving a percentage of 33.3%.

	Page Street which is the first street in the 10% zone has 31 houses, 12 of which are licensed HMOs giving a percentage of 38.7%. This annexation has produced a perverse result where the percentage of HMOs outside the proposed management area is above three times its 10% threshold, whereas the percentage of HMOs inside the management zone is about a quarter of its 25% threshold. How would the council propose to defend an appeal if an HMO application in Page Street was denied planning permission having breached the 10% threshold for the street. Why does the council consider 10% to be robust and defendable in Page Street. a. What rationale has been used to justify this annexation. b. Had the number of HMOs in the annexe, substantially changed between the time of the original proposal and the annexation. **Response of the Cabinet Member for Delivery** The HMO Management Area boundary at Nicholl Street, as currently proposed, is consistent with the extent of the Lower Super Output Area (LSOA) at this location. This is why the boundary only includes the properties on the western side. The LSOAs have provided a key piece of underlying evidence on HMO concentrations to guide the delineation of the Management Area boundary. The proposed delineation is consistent with the evidence in this regard, and it is therefore considered rational, robust and defendable approach. The number of HMOs at Nichol Street/page Street has not changed substantively since 2017. Notwithstanding this, the street character and property types on both sides of Nicholl Street (and indeed Page Street) are broadly the same, and there is some localised existing concentrations of HMOs throughout these two small streets. This represents another aspect of the evidence base that can also be considered in delineating the boundary, as has been for some other discreet areas of the Management Area. There is an option therefore to extend the HMO Management Area to include both the sides of Nicholl Street and Page Street. This had been considered but not proposed due to the abovementioned desire to retain consistency with the LSOA. However this option could be presented to the LDP Inspectors at the upcoming Examination hearing on HMO matters as being a refinement that is consistent with part of the evidence, albeit that these properties are part of a wider LSOA with a concentration of only 9.1%. This alternative option (of slightly extending the 25% Management Area) will make very little difference to the consideration of applications for HMOs at these locations, as these streets are already at or close to ‘capacity’ having regard to either a 10% or 25% thresholds. This highlights the highly restrictive nature of the proposed Management Area and the few opportunities that exist within it for further HMOs.
13	**Cllrs Mike Day, Cheryl Philpott & Lynda James** Can the Cabinet Member give an update on land sales, indicating planned, and actual net receipts for 2016/7, 2017/8 and so far for 2018/9? What are the anticipated receipts for the current financial year.

	Response of the Cabinet Member for Business Transformation & Performance Net receipts for 16/17 and 17/18 were £3.773M and £5.145M respectively. Planned or expected receipts are contained within a rolling programme which is regularly reviewed and updated due to the nature of the disposal process. For 18/19 the revised budget position stated expected net receipts of £2.75M, but again would be contained within a rolling programme.
14	**Cllrs Mike Day, Sue Jones, Mary Jones** Can the Cabinet Member tell Council how many teaching and non-teaching posts have been lost, and will be lost by 1 September 2018, in all Primary, Secondary and Special schools through a) compulsory redundancy b) voluntary and/or early retirement c) non-filling of vacant posts since the 1 April 2018. **Response of the Cabinet Member for Education Improvement & Learning** Information will be available after 31 August 2018 when all staff who are leaving will have been wholly removed from the system.