

## Council

You are hereby summoned to attend an Extraordinary Meeting of the **Council of the City and County of Swansea** to be held in the Council Chamber - Guildhall, Swansea on Thursday, 1 March 2018 at 5.00 pm.

The following business is proposed to be transacted:

1. **Apologies for Absence.**
2. **Disclosures of Personal and Prejudicial Interests.**  
[www.swansea.gov.uk/disclosuresofinterests](http://www.swansea.gov.uk/disclosuresofinterests)
3. **Minutes.** 1 - 8  
To approve & sign the Minutes of the previous meeting(s) as a correct record.
4. **Written Responses to Questions asked at the Last Ordinary Meeting of Council.** 9 - 22
5. **Announcements of the Presiding Member.**
6. **Announcements of the Leader of the Council.**
7. **Public Questions.**  
Questions must relate to matters on the open part of the Agenda of the meeting and will be dealt with in a 10 minute period.
8. **Public Presentation - None.**
9. **Medium Term Financial Planning 2019/20 to 2021/22 .** 23 - 55
10. **Revenue Budget 2018/19.** 56 - 155
11. **Capital Budget & Programme 2017/18 – 2023/24.** 156 - 171
12. **Treasury Management Strategy Statement, Prudential Indicators, Investment Strategy and Minimum Revenue Provision Policy Statement 2018/19 .** 172 - 214
13. **Housing Revenue Account (HRA) Revenue Budget 2018/19.** 215 - 219
14. **Housing Revenue Account – Capital Budget and Programme 2017/18 – 2020/21.** 220 - 236

15. Statutory Resolution – Resolutions to be made in Accordance with the Regulations in the Setting of Council Tax 2018/2019.	237 - 241
16. Treasury Management – Interim Year Review Report 2017/18.	242 - 257
17. Appointment of Lay Member of the Audit Committee.	258 - 259
18. Nomination of Lord Mayor Elect and Deputy Lord Mayor Elect 2018-2019.	260 - 271
19. Amendments to the Constitution.	272 - 276
20. Council Bodies Diary 2018-2019	277 - 291
21. Councillors' Questions.	292 - 301



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

Tuesday, 20 February 2018

To: All Members of the Council



City and County of Swansea

## Minutes of the Council

Council Chamber, Guildhall, Swansea

Thursday, 25 January 2018 at 5.00 pm

**Present:** Councillor D W W Thomas (Chair) Presided

### Councillor(s)

C Anderson  
M C Child  
A M Day  
M Durke  
W Evans  
L S Gibbard  
D W Helliwell  
B Hopkins  
L James  
P K Jones  
J W Jones  
M B Lewis  
A S Lewis  
I E Mann  
H M Morris  
S Pritchard  
K M Roberts  
P B Smith  
D G Sullivan  
W G Thomas  
G D Walker

### Councillor(s)

P M Black  
J P Curtice  
P Downing  
V M Evans  
E W Fitzgerald  
K M Griffiths  
C A Holley  
D H Hopkins  
Y V Jardine  
S M Jones  
E J King  
R D Lewis  
C E Lloyd  
P M Matthews  
D Phillips  
A Pugh  
B J Rowlands  
A H Stevens  
M Sykes  
M Thomas  
L V Walton

### Councillor(s)

J E Burtonshaw  
N J Davies  
C R Doyle  
C R Evans  
R Francis-Davies  
J A Hale  
P R Hood-Williams  
O G James  
M H Jones  
L R Jones  
E T Kirchner  
W G Lewis  
P Lloyd  
P N May  
C L Philpott  
J A Raynor  
M Sherwood  
R C Stewart  
L G Thomas  
L J Tyler-Lloyd  
T M White

### Apologies for Absence

Councillor(s): S E Crouch, S J Gallagher, F M Gordon, T J Hennegan, M A Langstone, C Richards, R V Smith and G J Tanner

---

### 133. Disclosures of Personal and Prejudicial Interests.

The Head of Legal, Democratic Services and Business Intelligence gave advice regarding the potential personal and prejudicial interests that Councillors and Officers may have on the agenda.

The Head of Democratic Services reminded Councillors and Officers that the "Disclosures of Personal and Prejudicial Interests" sheet should only be completed if the Councillor / Officer actually had an interest to declare. Nil returns were not required. Councillors and Officers were also informed that any declarable interest must be made orally and in writing on the sheet.

In accordance with the provisions of the Code of Conduct adopted by the City and County of Swansea the following interests were declared:

- 1) Councillors P Downing, R D Lewis, W G Lewis, M Sykes and T M White declared a Personal & Prejudicial Interest in Minute 140 "Adoption of the Council Tax Reduction Scheme" and withdrew from the meeting prior to its consideration;
- 2) Councillor D Phillips declared a Personal Interest in Minute 141 "Working Towards Prosperity for All in Swansea' A Tackling Poverty Strategy for Swansea 2017 - 2020";
- 3) Councillors M C Child and R Francis-Davies declared a Personal Interest in Minute 147 "Councillors' Questions".

**134. Minutes.**

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

- 1) Ordinary Meeting of Council held on 14 December 2017 subject to Councillor P M Matthews being added to the list of apologies for absence.

**135. Written Responses to Questions asked at the Last Ordinary Meeting of Council - None.**

The Head of Legal, Democratic Services and Business Intelligence stated that the written responses to questions asked at the last Ordinary Meeting of Council would be included in the next Council Summons.

**136. Announcements of the Presiding Member.**

**1) Condolences**

**a) Former Councillor Nancy Thomas**

The Presiding Member referred with sadness to the recent death of Former Councillor Nancy Thomas. Former Councillor Thomas served the Glynneath community on the former West Glamorgan County Council.

**b) David Morgan, Former Chair of Swansea in Bloom**

The Presiding Member referred with sadness to the recent death of David Morgan. Mr Morgan was the former Chair of Swansea in Bloom and former Head Teacher at Dunvant Primary School.

All present stood as a mark of sympathy and respect.

**2) Armed Forces in Wales - Silver Award in the Employer's Recognition Scheme**

The Presiding Member announced that the Authority had received a Silver Award in the Employer Recognition Scheme at the Armed Forces in Wales Awards recently.

Councillor June Burtonshaw, the Armed Forces Champion was present to receive the award.

**3) Chartered Institute of Personnel and Development (CIPD) Wales Award Helping Hands**

The Presiding Member announced that the Authority had recently been awarded the First Chartered Institute of Personnel and Development (CIPD) Wales, Best Health & Wellbeing Initiative for the work of the Helping Hands Volunteers.

Helping Hands is a unique volunteer service, aimed at providing employees with face to face and telephone support, signposting to other services and access to a range of workshops and groups to improve social inclusion, mental and physical health.

The service has continued to go from strength to strength, with the volunteers themselves coming up with new ideas and innovative ways to improve wellbeing and the culture of the organisation. Helping Hands has become a valued and integral part of not just the Stress Management Team but the Corporate Health & Safety and Wellbeing structure itself and an example of unique best practice, which has brought interest and praise from private and public sector alike.

He stated that he had great pleasure in presenting this coveted award which reflects the tireless work of Helping Hands, to Craig Gimblett, Stefan Eckardt, Caroline Ford, Lorraine Hodson, Ray Mitchell, Tina Williamson, Rob Richards and Jo Coates-Williams as representatives of the volunteers on behalf of the Council.

**4) New Year's Honours 2017**

Citizens of Swansea who received awards in the New Year Honours.

**a) Officer of the Order of the British Empire (OBE)**

- i) Professor Hilary Margaret Lappin-Scott. For services to Microbiology and the Advancement of Women in Science and Engineering. (Swansea);
- ii) Jonathan Howell Morgan. For services to Disability Sport in Wales. (Bishopston, Swansea);

- iii) Dr Cerys Rees. Fellow, Chemical and Biological Analysis, Defence Science and Technology Laboratory. For services to Defence. (Salisbury, Wiltshire)

**b) Member of the Order of the British Empire (MBE)**

- i) Susan Yvonne Hollister. Headteacher, Cefn Hengoed Community School, Swansea. For services to Education in Swansea. (Neath, Neath Port Talbot);
- ii) Police Constable Richard Hugh Morgan. South Wales Police. For charitable services to Armed Forces Veterans.

**c) British Empire Medal (BEM)**

- i) Jeanette Lavon Smith. County Youth Officer, West Glamorgan St John Ambulance. For voluntary service to First Aid and to Young People. (Swansea, West Glamorgan);
- ii) Dr Margaret Ruth Vincent. For charitable services in the UK and Abroad and the community in Swansea. (Swansea);
- iii) Alyson Elizabeth Williams. For services to Young People and the community in Swansea. (Cwmbwrla, Swansea).

**d) Queen's Police Medal (QPM)**

- i) Matthew Jonathan Jukes. Deputy Chief Constable, South Wales Police.

**5) Santes Dwynwen's Day**

The Presiding Member stated that it was Santes Dwynwen's day, the Welsh and Celtic Patron saint of friendship and love.

The popularity and celebration of St Dwynwen's day has increased considerably in recent years, with special events, such as concerts and parties, often held, and Welsh cards printed. Although still not as popular as Valentine's Day in February, St Dwynwen is certainly becoming better-known amongst today's population of Wales.

**6) Swansea v Liverpool**

The Presiding Member stated that towards the end of Swansea's match against Liverpool on 22 January 2018, where Swansea won, a woman suffered a suspected cardiac arrest but fortunately Welsh Guards Regimental Sergeant Major, Warrant Officer Class 1, Dean Morgan from Ravenhill came to her assistance and helped to resuscitate her. Congratulations to Dean Morgan for his quick thinking and action.

**7) Happy Birthday Councillor Richard D Lewis**

The Presiding Member wished Councillor Richard D Lewis a happy birthday.

**137. Announcements of the Leader of the Council.**

**1) Date Changes to Cabinet & Council**

The Leader of the Council stated that the Cabinet Meeting earmarked to consider the budget was planned for 8 February 2018; however this would now be held on 15 February 2018. The Cabinet Meeting on 8 February 2018 will remain and it will consider the "Revenue and Capital Budget Monitoring 3<sup>rd</sup> Quarter 2017-2018" report amongst other general Cabinet reports.

The main budget Cabinet meeting will be held at 14.00 on Thursday, 15 February 2018.

As a result of this change, the Presiding Member in consultation with the Political Group Leaders has agreed to cancel Council on 22 February 2018 and to reschedule it to 17.00 on Thursday, 1 March 2018.

**2) Swansea Bay Tidal Lagoon Update**

The Leader of the Council stated that the Welsh Government and UK Government would be meeting on 26 January 2018 in order to discuss the Swansea Bay Tidal Lagoon.

**3) Visit to Wuhan, China by Councillor Robert Francis-Davies**

The Leader of the Council stated that Councillor R Francis-Davies would be travelling to Wuhan, China next week in order to sign an economic agreement between both cities.

**4) Greg Jones – Communications Officer**

The Presiding Member wished Greg Jones (Communications Officer) all of the best when he takes up his new role with the City Region.

**138. Public Questions.**

Questions were asked in Minute 147 "Councillors' Questions - Question 7". The Cabinet Member for Environment Services responded.

**139. Public Presentation - RNIB Swansea & Vision Impaired West Glamorgan.**

Anita Davies and Susan Thomas gave a presentation on the work of the Royal National Institute of Blind People (RNIB) and Vision Impaired West Glamorgan.

Councillor M C Child gave thanks for the presentation.

**140. Adoption of the Council Tax Reduction Scheme.**

The Section 151 Officer submitted a report, which explained the requirement to annually consider whether to revise or replace the Council's existing Council Tax Reduction Scheme and the requirement to either adopt a new scheme or re-adopt the existing scheme by 31 January 2018.

**Resolved that:**

- 1) The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 ("the Prescribed Requirements Regulations") by the National Assembly for Wales (NAfW) on 26 November 2013, as amended be noted;
- 2) The amendments to "the Prescribed Requirements Regulations" contained in the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2018, considered and approved by NAfW on 9 January 2018 be noted;
- 3) The outcome of the consultation exercise undertaken by the Council in December 2014 on the discretionary areas of the current scheme be noted;
- 4) The current scheme (2017/2018) in relation to the discretionary areas (as set out in section 3 of the report) remain unchanged from 2018/2019;
- 5) The scheme as set out in section 3 of the report be adopted and any amendments to the regulations made by NAfW be reflected in the scheme.

**141. 'Working Towards Prosperity for All in Swansea' A Tackling Poverty Strategy for Swansea 2017 - 2020.**

The Stronger Communities Cabinet Member submitted a report, which set out the revised Tackling Poverty Strategy and associated Delivery Plan for approval following extended public consultation.

**Resolved that:**

- 1) The revised Tackling Poverty Strategy 'Working Towards Prosperity for All in Swansea' and associated Delivery Plan be approved.

**142. Swansea Violence Against Women, Domestic Abuse and Sexual Violence Strategy.**

The Stronger Communities Cabinet Member submitted a report, which presented a strategic partnership response for delivering priorities for ending Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV) in Swansea.



**Resolved that:**

- 1) The Violence against Women, Domestic Abuse and Sexual Violence Strategy be approved.

**143. Estyn Inspection of Local Authority Education Services for Children and Young People - Self-Evaluation Report 2017.**

The Children, Education & Lifelong Learning Cabinet Member submitted a report, which presented the final version of the Education Department's Self Evaluation report.

**Resolved that:**

- 1) The findings of the 2017 Self Evaluation report be noted.

**144. Honorary Freedom of the City & County of Swansea to HMS Cambria.**

The Leader of the Council submitted a report, which sought consideration of conferring Honorary Freedom of the City and County of Swansea on HMS Cambria.

**Resolved that:**

- 1) Honorary Freedom of the City and County of Swansea be granted on HMS Cambria;
- 2) A Ceremonial Meeting of Council be held on 17 March 2018 to confer the title of Honorary Freedom.

**145. Membership of Committees.**

The Service Transformation & Business Operations Cabinet Member submitted a report outlining nominations / amendments to the Council Bodies.

He stated that the Leader of the Council had not made changes to the Authority's Outside Bodies.

**Resolved that:**

- 1) The membership of the Council Bodies listed below be amended as follows:
  - i) **Scrutiny Programme Committee**  
Remove Councillor J P Curtice.  
Add Councillor W G Lewis.
  - ii) **Transformation & Future Council Policy Development and Delivery Committee**  
Remove Councillor B J Rowlands.

- iii) **Trustees Panel**  
Add Councillor M B Lewis.

**146. Scrutiny Dispatches – Quarterly Impact Report.**

The Chair of the Scrutiny Programme Committee submitted an information report setting out the Scrutiny Dispatches - Quarterly Impact Report.

**147. Councillors' Questions.**

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

The Chair of the Scrutiny Programme Committee submitted an information report setting out the Scrutiny Dispatches - Quarterly Impact Report.

Six (6) Part A 'Supplementary Questions' were submitted. The relevant Cabinet Member(s) responded by way of written answers contained in the Council Summons.

No supplementary question(s) required a written response.

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

One (1) Part B 'Questions not requiring Supplementary Questions' were submitted.

The meeting ended at 7.35 pm

**Chair**



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

Council – 1 March 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 14 December 2017.

#### For Information

#### 1. Introduction

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

#### 2. Responses

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

**Background Papers:** None

**Appendices:** Appendix A (Questions & Responses)

**Providing Council with Written Responses to Questions at Council  
14 December 2017**

1.	<p><b>Councillor E W Fitzgerald</b> In relation to Minute 132 – Councillors Questions – Question 1 The Cabinet Member states in his response that between 2015 and 2025 a total of 8,700 new jobs are going to be achieved. Meanwhile, the Schedule of Non Substantive Amendments to the Deposit Plan re-emphasises, in paragraph 1.3.9, that the overall number of new jobs, is going to be 14,700 during the Plan period.</p> <p>Figures produced by the Centre for Cities for 2004-2013 confirm that only a dismal 900 jobs were produced during this nine-year period.</p> <p>Therefore, in order to realise the 14,700 figure, it would seem that between 2013 and 2015, 5,100 new jobs must have been delivered. However, I can find no evidence for this, Can the Cabinet Member clarify please.</p> <p><b>Response of the Leader</b> The statistics on employment growth over the Local Development Plan period are taken from the 2017 Review of Swansea Local Development Plan Growth Strategy and Evidence Base produced by Turley, Amion Consulting and Edge Analytics. The employment data in the Review is based on the latest Experian Economics data, and is not comparable with the 2015 Centre for Cities data quoted. The Experian data shows that employment in Swansea increased by 4,900 between 2010 and 2015.</p> <p>The City Deal Economic Growth scenario modelled by Turley, Edge Analytics and Amion in the 2017 Review forecasts employment growth of 8,700 between 2015 and 2025, as outlined by the Cabinet Member in his earlier response. Over the period 2010 – 2025 this equates to employment growth of 13,600, with the 2017 Review concluding that: <i>“Reflecting on the range of planned investments within Swansea, it can be seen that there is the potential for employment growth beyond the 13,600 jobs forecast over the LDP period under the City Deal Growth Scenario. Indeed, should the majority of major investments come forward over the next 10 years, it is considered a reasonable aspiration that the level of job growth assumed under the Employment Growth Scenario in the 2012 Economic Assessment &amp; Employment Land Assessment (14,700 jobs created) could be achieved”.</i></p>
2.	<p><b>Councillor A M Day</b> In relation to Minute 132 – Councillors Questions – Question 3</p> <p>Can you please provide Councillors with a list of grit bins by Electoral Ward across Swansea.</p> <p><b>Response of the Cabinet Member for Environment Services</b> Grit bins in Swansea are provided to cover areas not on gritting routes. A list is provided but this should be looked at in conjunction with the map of gritting routes which is available to see on the council’s on-line mapping system. <a href="http://www.swansea.gov.uk/grittingroutes">http://www.swansea.gov.uk/grittingroutes</a></p>

Area	Street	Bin no	Location
BISHOPSTON	BISHOPSTON ROAD	731	BISHOPSTON ROAD JCT PYLE ROAD
BISHOPSTON	CHURCH LANE	729	CHURCH LANE OPP CHURCH
BISHOPSTON	COPLEY LODGE	727	COPLEY LODGE JCT NORTHWAY
BISHOPSTON	LONG ACRE	733	HILLAND DRIVE JCT LONG ACRE
BISHOPSTON	MANSEFIELD ROAD	735	MANSEFIELD ROAD OPP PLOUGH AND HARROW
BISHOPSTON	MANSEFIELD ROAD	736	MANSEFIELD ROAD OPP 23
BISHOPSTON	MANSEFIELD ROAD	737	MURTON LANE OPP 79
BISHOPSTON	MURTON GREEN ROAD	677	MURTON GREEN IN CAR PARK
BISHOPSTON	OLDWAY	734	OLDWAY OPP 30
BISHOPSTON	PORTWAY	728	PORTWAY JCT NORTHWAY
BISHOPSTON	TUDOR COURT	732	TUDOR COURT OPP 44
BONYMAEN	AERON PLACE	496	AERON PLACE S/O 3
BONYMAEN	BONYMAEN ROAD	499	BONY-Y-MAEN ROAD O/S POST OFFICE
BONYMAEN	BROKESBY ROAD	492	BROKESBY ROAD OPP 30
BONYMAEN	BRYN HELYG	508	BRYN HELYG JCT MAES-DERI
BONYMAEN	CAERPHILLY AVENUE	502	CAERPHILLY AVENUE O/S 11
BONYMAEN	CALDICOT CLOSE	501	CALDICOT CLOSE O/S 12
BONYMAEN	CANDLESTON PLACE	503	CANDLESTON PLACE JCT CAERPHILLY AVENUE
BONYMAEN	CEFN ROAD	504	CEFN ROAD S/O 71
BONYMAEN	CILGERRAN PLACE	510	CILGERRAN PLACE JCT CARDIGAN CRES
BONYMAEN	COCH Y CWM ROAD	497	COCH Y CWM ROAD JCT DINAM ROAD
BONYMAEN	CWM CHAPEL ROAD	511	CWM LEVEL ROAD O/P 2
BONYMAEN	CWM CHAPEL ROAD	512	CWM CHAPEL ROAD O/S CAPEL SALEM
BONYMAEN	GRENFELL TOWN	435	GRENFELL TOWN JCT PENTRECHWYTH ROAD
BONYMAEN	GWYNDY ROAD	493	GWYNDY ROAD O/S 17
BONYMAEN	JERSEY ROAD	500	JERSEY ROAD S/O 132
BONYMAEN	KENFIG PLACE	495	KENFIG PLACE JCT BROKESBY ROAD
BONYMAEN	LAN COED	509	LAN COED O/S SCHOOL
BONYMAEN	MORAWEL	507	MORAWEL OPP 15
BONYMAEN	OGMORE PLACE	494	OGMORE PLACE JUNCTION WITH BROKESBY ROAD
BONYMAEN	PEN Y GARN	491	PEN Y GARN O/S 27
BONYMAEN	TALFAN ROAD	809	TALFAN ROAD JCT MYRDDIN ROAD
BONYMAEN	TY DRAW ROAD	498	TY-DRAW ROAD O/S NORWOOD HOUSE
BONYMAEN	U/S-Y158	505	CEFN HENGOED ROAD S/O 145
BONYMAEN	U/S-Y226	506	CEFN HENGOED O/S CARE HOME
CASTLE	BAPTIST WELL STREET	483	BAPTIST WELL STREET S/O 38
CASTLE	CAMONA DRIVE	680	CAMONA DRIVE JCT TRAWLER ROAD
CASTLE	COLBOURNE TERRACE	480	COLBOURNE TERRACE O/P 45
CASTLE	COLBOURNE TERRACE	481	COLBOURNE TERRACE OPP 24
CASTLE	CONVENT STREET	463	CONVENT STREET O/S 6
CASTLE	FAIRFIELD TERRACE	695	FAIRFIELD TERRACE S/O 35
CASTLE	FISHERMANS WAY	681	ST CHRISTOPHER COURT
CASTLE	GLOUCESTER PLACE	682	GLOUCESTER PLACE O/S DYLAN THOMAS CENTRE
CASTLE	JOHN STREET	683	JOHN STREET O/S FRIENDSHIP HOUSE
CASTLE	LION STREET	461	LION STREET O/S WAUN WEN SCHOOL
CASTLE	MARSDEN STREET	460	MARSDEN STREET S/O 6
CASTLE	MOUNT PLEASANT	699	MOUNT PLEASANT OPP 65
CASTLE	NEW STREET	700	NEW STREET FLATS 9-16
CASTLE	OAKLANDS TERRACE	692	OAKLANDS TERRACE JCT CONSTITUTION HILL
CASTLE	PAGE STREET	679	PAGE STREET OPP 6
CASTLE	PICTON LANE	788	PICTON LANE - CAR PARK
CASTLE	PRIMROSE STREET	691	PRIMROSE STREET NORFOLK STREET
CASTLE	SHORT STREET	706	SHORT STREET JCT PLEASANT VIEW TERRACE
CASTLE	TERRACE ROAD	694	TERRACE ROAD O/S SCHOOL
CASTLE	WATKIN STREET	707	Milton Terrace Opp 38
CASTLE	WATKIN STREET	705	WATKINS STREET JCT NORTH HILL ROAD
CASTLE	WAUN WEN TERRACE	462	WAUN WEN TERRACE O/S 8
CASTLE	WHEATFIELD TERRACE	482	WHEATFIELD TERRACE JCT SKINNER STREET
CLYDACH	BRYN TIRION	165	BRYN TIRION JCT BRYN HAWDDGAR
CLYDACH	EDISON CRESCENT	53	EDISON CRESCENT OPP 32
CLYDACH	GELLIONEN ROAD	54	GELLIONEN ROAD OPP 132
CLYDACH	GELLIONEN ROAD	55	GELLIONEN ROAD TOP OF HILL
CLYDACH	HAFAN GLYD	166	HAFAN GLYD
CLYDACH	HEOL DYWYLL	178	HEOL DYWYLL OPP Y GORLAN
CLYDACH	HEOL EITHRIM	168	HEOL EITHRIM JCT LON EITHRYM
CLYDACH	HILLRISE PARK	170	FFYNNON WEN JCT HILLRISE PARK
CLYDACH	HILLRISE PARK	169	HILLRISE PARK O/S 224
CLYDACH	OAKWOOD CLOSE	56	OAKWOOD CLOSE JCT OAKWOOD DRIVE
CLYDACH	PARK ROAD	167	PARK ROAD OPP 19
CLYDACH	RAMSDEN ROAD	177	RAMSDEN ROAD O/S 8

Area	Street	Bin no	Location
CLYDACH	TAN Y LON	51	TAN Y LON OPP 5
CLYDACH	THE LONE	50	TH LONE JCT CLYDACH ROAD
CLYDACH	TWYN BEDW ROAD	171	TWYN BEDW ROAD O/S SCHOOL
CLYDACH	TYLE TEG	827	
CLYDACH	U/S-Y69	179	U/S-Y69 O/S CARTREF
CLYDACH	WAUNGRON ROAD	52	WAUNGRON ROAD JCT LONE ROAD
CLYDACH	WESTERN ROAD	176	WESTERN ROAD OPP 29
CLYDACH	WESTERN ROAD	174	WESTERN ROAD JCT QUARR DRIVE
CLYDACH	WESTERN ROAD	175	WESTERN ROAD O/S 15
CLYDACH	WOODSIDE CRESCENT	173	PLAYERS AVENUE OPP 34
CLYDACH	WOODSIDE CRESCENT	172	WOODSIDE CRESCENT O/S 33
COCKETT	ALDWYN ROAD	350	ALWYN ROAD S/O 1
COCKETT	ALDWYN ROAD	351	ALDWYN ROAD O/S 11
COCKETT	ALDWYN ROAD	352	ALDWYN ROAD O/P 28
COCKETT	ALDWYN ROAD	353	ALDWYN ROAD O/S 61
COCKETT	BEVAN WAY	293	WESTWINDS CL JCT BEVAN WAY
COCKETT	BEVERLEY GARDENS	347	BEVERLEY GARDENS JCT BEVERLEY CLOSE
COCKETT	BRITHWEN ROAD	297	BRITHWEN ROAD O/P 85
COCKETT	BRYN AMLWG ROAD	367	BRYN AMLWG ROAD JCT BRYN GLAS ROAD
COCKETT	BRYN GOLEU ROAD	368	BRYN GOLEU ROAD JCT AEL Y BRYN ROAD
COCKETT	BRYN ROAD	290	BRYN ROAD JCT WESTWINDS CL
COCKETT	BRYN SIRIOL	369	BRYN SIRIOL JCT BRYN ROAD
COCKETT	BRYNFFORDD	373	BRYNFFORDD O/P 38
COCKETT	BRYNFFORDD	372	BRYNFFORDD O/S 15
COCKETT	CAER GYNYDD ROAD	284	CAER GYNYDD ROAD JCT WAUNARLWYDD ROAD
COCKETT	CAMROSE DRIVE	295	CAMROSE DR JCT HEOL CLEDDAU
COCKETT	CARMARTHEN ROAD	328	CARMARTHEN ROAD O/S 1155
COCKETT	CARMARTHEN ROAD	377	CARMARTHEN ROAD JCT RAVENHILL ROAD
COCKETT	CHURCH GARDENS	366	CHURCH GARDENS OPP 38
COCKETT	CHURCH GARDENS	365	CHURCH GARDENS S/O 19
COCKETT	CIL Y COED	327	CIL Y COED JCT YSTRAD ROAD
COCKETT	CLAS Y BEDW	286	CLAS Y BEDW O/S 55
COCKETT	COTSWOLD CLOSE	348	COTSWOLD CLOSE JCT WEIG FACH LANE
COCKETT	CWM CLYD	285	CWM CLYD OPP 21
COCKETT	GELLI DEG	331	GELLI DEG JCT LLWYN TEG
COCKETT	GELLI DEG	332	GELLI DEG O/S 10
COCKETT	GENDROS CRESCENT	374	CARMARTHEN ROAD JCT GENDROS CRESCENT
COCKETT	GENDROS CRESCENT	457	GENDROS CRESCENT JCT GENDROS CLOSE
COCKETT	GLASFRYN CLOSE	370	GLASFRYN CLOSE O/S 6
COCKETT	GRAMPIAN WAY	349	PENNINE CLOSE JCT GRAMPIAN WAY
COCKETT	HAULWEN ROAD	361	HAULWEN ROAD JCT WAUNARLWYDD ROAD
COCKETT	HAULWEN ROAD	360	HAULWEN ROAD JCT DOWN LEAZE
COCKETT	HEOL CERI	298	HEOL CERI O/S 3
COCKETT	HEOL CLEDDAU	294	HEOL CLEDDAU JCT BRITHWEN RD
COCKETT	HEOL WILL GEORGE	292	HEOL WILL GEORGE S/O 4
COCKETT	JOHN STREET	357	JOHN STREET O/S POLICE STATION
COCKETT	JOHN STREET	356	JOHN STREET JCT COCKETT ROAD
COCKETT	LANE FROM VICTORIA ROAD TO ST BA	289	VICTORIA ROAD TOP OF LANE O/S CHURCH
COCKETT	LLWYN TEG	330	LLWYN TEG OPP 58
COCKETT	LLWYN TEG	329	LLWYN TEG JCT FFORDD CYNORE
COCKETT	LON TOWY	375	LON TOWY JCT COCKETT ROAD
COCKETT	MEADOW RISE	371	MEADOW RISE JCT EASTFIELD CLOSE
COCKETT	NEW ROAD	358	NEW ROAD JCT STEPNEY ROAD
COCKETT	ROSELAND ROAD	287	ROSELAND ROAD JCT SWANSEA ROAD
COCKETT	ROSELAND ROAD	288	ROSELAND ROAD O/S 35
COCKETT	SARDIS CLOSE	291	SARDIS CL JCT HEOL WILL GEORGE
COCKETT	ST NICHOLAS CLOSE	296	ST NICHOLAS CLOSE O/P 1
COCKETT	ST PETERS AVENUE	354	Empty
COCKETT	ST PETERS AVENUE	355	ST. PETERS AVENUE O/S 33
COCKETT	STEPNEY ROAD	359	STEPNEY ROAD O/S 1
CWMBWRLA	ALICE STREET	459	ALICE STREET JCT MEGAN STREET
CWMBWRLA	BOHUN STREET	472	BOHUN STREET O/S 39
CWMBWRLA	CAE BRICKS ROAD	465	CAE BRICKS ROAD JCT DAVID STREET
CWMBWRLA	CLARE STREET	474	CLARE STREET JCT ZOUCH STREET
CWMBWRLA	COURTNEY STREET	464	COURTNEY STREET O/P 6
CWMBWRLA	ELGIN STREET	469	ELGIN STREET S/O 47
CWMBWRLA	GERDDI ALEXANDER	455	GERDDI ALEXANDER JCT MAESGLAS ROAD
CWMBWRLA	GWYLYM STREET	458	GWYLYM STREET S/O 1
CWMBWRLA	HOPKIN STREET	451	HOPKINS STREET JCT MILES ROAD
CWMBWRLA	KILDARE STREET	471	LILDARE STREET JCT MANOR ROAD

Area	Street	Bin no	Location
CWMBWRLA	LLWYNCETHIN ROAD	456	LLWYNCETHIN ROAD JCT MAESGLAS ROAD
CWMBWRLA	LYNN STREET	467	LYNN STREET S/O 21
CWMBWRLA	LYNN STREET	466	LYNN STREET JCT FERN STREET
CWMBWRLA	MILES ROAD	452	MILES ROAD O/S 1
CWMBWRLA	MONTEREY STREET	484	MOWTEREY STREET JCT MANOR ROAD
CWMBWRLA	PENLAN FACH	450	HOPKINS STREET JCT MANOR ROAD
CWMBWRLA	ROBERT STREET	473	ROBERT STREET S/O 3
CWMBWRLA	STEPNEY STREET	468	STEPNEY STREET OPP 36
CWMBWRLA	SYDNEY STREET	453	SYDNEY STREET JCT PENFILIA ROAD
CWMBWRLA	SYLVIA TERRACE	454	SYLVIA TERRACE JCT SYDNEY STREET
CWMBWRLA	WALTERS STREET	470	WALTERS STREET JCT MONOR ROAD
DUNVANT	BRO DAWEL	558	BRO DAWEL JCT GEOTRE BELLAF ROAD
DUNVANT	BRO DEDWYDD	591	BRO DEDWYDD OPP 20
DUNVANT	BRO DIRION	586	BRO DIRION S/O 1
DUNVANT	BRYNAERON	584	BRYNAERON JCT MEADOW VIEW
DUNVANT	CEFN CELYN	321	CEFN CELYN S/O 43
DUNVANT	CEFN CELYN	320	CEFN CELYN OPP 3
DUNVANT	DERLWYN	595	GRAIG Y BWLDAN JCT DERLWYN
DUNVANT	DOL Y COED	569	DOL Y COED OPP 50
DUNVANT	DUNVANT ROAD	583	DUNVANT ROAD O/S SCHOOL
DUNVANT	DUNVANT ROAD	562	DUNVANT ROAD O/S 225
DUNVANT	FAIRWOOD ROAD	570	VOYLART ROAD JCT FAIRWOOD ROAD
DUNVANT	GWELFOR	578	GWELFOR O/S 81
DUNVANT	HENDRE	592	HENDRE O/S 9
DUNVANT	HENDRE	593	HENDRE S/O 33
DUNVANT	HOWELLS ROAD	559	HOWELLS ROAD JCT GLAN DULAIS
DUNVANT	HOWELLS ROAD	563	HOWELLS ROAD JCT DUNVANT ROAD
DUNVANT	LLYS TEG	585	LLYS TEG OPP 25
DUNVANT	MAES YR EFAIL	590	MAES YR EFAIL
DUNVANT	MAES YR EFAIL	589	MAES YR EFAIL OPP 28
DUNVANT	MEADOW VIEW	326	MEADOW VIEW O/S 29
DUNVANT	PEN Y FRO	324	PEN Y FRO O/S 48
DUNVANT	PEN Y FRO	323	PEN Y FRO O/S 56
DUNVANT	PEN Y FRO	322	PEN Y FRO O/S 70
DUNVANT	PEN Y FRO	325	PEN Y FRO S/O 14
DUNVANT	PRIORS WAY	566	PRIORS WAY JCT PRIORS CRESCENT
DUNVANT	PRIORS WAY	567	PRIORS WAY OPP 30
DUNVANT	PRIORS WAY	565	PRIORS CRESCENT O/S SCHOOL
DUNVANT	PRIORS WAY	568	PRIORS WAY JCT DDOL ROAD
DUNVANT	RHIWLAS	594	RHIWLAS JCT DERLWYN
DUNVANT	VOYLART CLOSE	564	VOYLART ROAD JCT VOYLART CLOSE
DUNVANT	YR ARAN	588	YR ARAN OPP 11
DUNVANT	YR ELAIN	587	YE ELAIN O/S 16
FAIRWOOD	BLACKHILLS LANE	549	BLACKHILLS LANE O/S CARAVAN SITE
FAIRWOOD	BRYNYMOR	275	BRYNYMOR OPP 4
FAIRWOOD	CAE MANSEL ROAD	319	CAE MANSEL ROAD JCT CAE MANSEL LANE
FAIRWOOD	CHAPEL ROAD	277	CHAPEL ROAD JCT PANT Y DWR
FAIRWOOD	CHAPEL ROAD	278	CHAPEL ROAD JCT DUNVANT ROAD
FAIRWOOD	CILONNEN ROAD	276	CILONNEN ROAD JCT CEFN DRAW
FAIRWOOD	GOWER ROAD	550	GOWER ROAD O/S SCHOOL
FAIRWOOD	GOWERTON ROAD	279	GOWERTON ROAD JCT PENTWYN
FAIRWOOD	HEN PARC LANE	548	HEN PARC AVENUE JCT HEN PARC LANE
FAIRWOOD	SUMMERLAND PARK	547	SUMMERLAND PARK OPP 3
GORSEINON	ALEXANDRA ROAD	135	ALEXANDRA ROAD OS SAINSBURYS
GORSEINON	BRYN CLOSE	86	BRYN CLOSE JCT LLANERCH CRESCENT
GORSEINON	BRYNAFON ROAD	57	BRYNAFON ROAD JCT PLEASANT CLOSE
GORSEINON	BRYNAWEL ROAD	84	BRYNAWEL ROAD ENTRANCE TO HOSPITAL
GORSEINON	BRYNAWEL ROAD	817	PARC Y WERIN CAR PARK
GORSEINON	DYFFFRYN ROAD	95	DYFFFRYN ROAD JCT PANTGLAS
GORSEINON	FFORDD BRYNGWYN	281	CLOS BRYNGWYN JCT FFORDD BRYNGWYN
GORSEINON	FFORDD TALFAN	282	FFORDD TALFAN JCT LLYS ANEIRIN
GORSEINON	FFORDD YR AFON	93	FFORDD YR AFON O/S FLATS
GORSEINON	FRAMPTON ROAD	83	FRAMPTON ROAD JCT PENYRHEOL ROAD
GORSEINON	GLYNRHOSYN	96	GLYNRHOSYN O/S 6
GORSEINON	GOWER VIEW ROAD	82	GOWER VIEW ROAD JCT PENYRHEOL ROAD
GORSEINON	HEOL EIFION	112	HEOL EIFION JCT HEOL FFION
GORSEINON	HEOL ELFED	79	HEOL CRWYS JCT HEOL ELFED
GORSEINON	HEOL ELFED	78	HEOL ELFED JCT FRAMPTON ROAD
GORSEINON	LLANERCH CRESCENT	85	LLANERCH CRESCENT JCT GROVE STREET
GORSEINON	MILL STREET	87	MILL STREET JCT HIGH STREET

Area	Street	Bin no	Location
GORSEINON	PENCEFNARDA ROAD	81	PENYBANC LANE JCT PENCEFNARDA ROAD
GORSEINON	PENCEFNARDA ROAD	80	PENCEFNARDA ROAD JCT HEOL ELFED
GORSEINON	PHOENIX WAY	92	PHOENIX WAY OPP JCT KESTREL WAY
GORSEINON	PLEASANT CLOSE	58	PLEASANT CLOSE JCT LLYS GWYNFAEN
GORSEINON	PLEASANT ROAD	88	PLEASANT ROAD
GORSEINON	TRINITY STREET	94	TRINITY STREET S/O 31
GOWER	A4118 FROM JUNCTION WITH PORT EY	798	PORT EYNON ENT TO NEW PARK
GOWER	APPLEGROVE	249	APPLEGROVE OPP 1
GOWER	C/S- C167 FR C167 J W ACC RD TO TYF	803	REYNOLDSTON O/S GROVE COTTAGE
GOWER	C/S- C172 FR C172 J W ACC RD TO THE	800	HORTON
GOWER	C/S- C172 FR C172 J W ENT HORTON F	799	HORTON O/S HALL
GOWER	C/S- C173 FR C173 J W THE DOWNS RE	801	REYNOLDSTON S/O BUS STOP
GOWER	C/S- C173 FR C173 REYNOLDSTON J W	251	REYNOLDSTON OPP POST OFFICE
GOWER	C/S-C171	234	LLANMADOC JUST UP FROM FORGE COTTAGE
GOWER	MILL LANE	242	MILL LANE O/S SEA BREEZE
GOWER	MILL LANE	246	MILL LANE O/S HOLLY COTTAGE
GOWER	MOOR LANE	236	MOOR LANE O/S DOLLARS COTTAGE
GOWER	SALISBURY CLOSE	797	SALISBURY CLOSE JCT MONKSLAND ROAD
GOWER	SANDY LANE	718	SANDY LANE O/S THE OLD POST HOUSE
GOWER	U/S-Y1739	545	ILSTON (NORTH)
GOWER	U/S-Y1779	546	ILSTON O/P ILSTON HOUSE
GOWER	U/S-Y2063	243	MILL LANE O/S CROSS HOUSE
GOWER	U/S-Y2072	241	MILL LA JCT MAIN ROAD
GOWER	U/S-Y2086	806	OXWICH JUST BEFORE CASTLE
GOWER	U/S-Y2094	807	OXWICH OPP GREENWAYS
GOWER	U/S-Y2110	805	OXWICH JCT ROAD TO PENRICE
GOWER	U/S-Y2131	808	SLADE OPP CHANNEL VIEW
GOWER	U/S-Y2261	804	REYNOLDSTON O/S FIRE STATION
GOWER	U/S-Y2272	250	REYNOLDSTON ON BEND BY HENNY SWELL
GOWER	U/S-Y2283	248	LANDIMORE OPP 1
GOWER	U/S-Y2284	247	LANDIMORE S/O BUS STOP
GOWER	U/S-Y2292	230	ON BEND JUST BEFORE LLANMADOC
GOWER	U/S-Y2293	235	LLANMADOC ROAD TO KYFTS LA
GOWER	U/S-Y2305	233	LLANMADOC O/P TIPLAN COTTAGE
GOWER	U/S-Y2314	232	LLANMADOC O/P THE OLD RECTORY
GOWER	U/S-Y2343	237	LLANGENNITH O/S TY-FLO
GOWER	U/S-Y2387	239	LLANGENNITH AT BEND INTO VILLAGE
GOWER	U/S-Y2387	240	LLANGENNITH S/O BUS STOP
GOWER	U/S-Y2396	795	PITTON JCT MEWSLADE BAY
GOWER	U/S-Y2400	796	MIDDLETON OPP HIGH PRIEST
GOWER	VICARAGE LANE	238	VICARAGE LANE O/P THE WELCOME
GOWERTON	BRYN EITHIN	309	BRYN EITHIN JCT HEOL Y GOG
GOWERTON	CAE MANSEL ROAD	318	CAE MANSEL ROAD O/S 42
GOWERTON	CECIL ROAD	313	CECIL ROAD O/S GOWERTON COMPREHENSIVE
GOWERTON	CHURCH STREET	315	CHURCH STREET O/S CHURCH
GOWERTON	FAIRWOOD TERRACE	283	FAIRWOOD TERRACE JCT CLOS TRAFLE
GOWERTON	FFORDD ALLTWEN	307	FFORDD ALLTWEN JCT MAES Y DERI
GOWERTON	GOWER RISE	300	GOWER RISE O/P 15
GOWERTON	GOWERTON INNER RELIEF ROAD STAG	305	BACK OF BONOPHOOL BANGLADESH CUISINE
GOWERTON	HEOL Y GWARTHEG	302	HEOL Y GWARTHEG JCT GORWYDD ROAD
GOWERTON	HILL STREET	310	HILL STREET O/S 6
GOWERTON	HILL STREET	311	HILL STREET JCT STERRY ROAD
GOWERTON	MOUNT STREET	317	MOUNT STREET OPP 35
GOWERTON	NCR004 FROM MILL STREET TO WOOD	303	WOODLANDS O/S WOODLANDS COURT
GOWERTON	OAKWOOD DRIVE	301	OAKWOOD DRIVE O/S 42
GOWERTON	PARK ROAD	314	PARK ROAD OPP 40
GOWERTON	PONT Y COB ROAD	306	PONT Y COB ROAD OPP 2
GOWERTON	RAVENSFIELD	299	RAVENSFIELD JCT BISHWELL ROAD
GOWERTON	STATION ROAD	304	STATION ROAD O/S TELEPHONE EXCHANGE
GOWERTON	TALBOT GREEN	316	TALBOT GREEN JCT TALBOT STREET
GOWERTON	TALBOT STREET	312	TALBOT STREET JCT CECIL ROAD
GOWERTON	UPLANDS	308	UPLANDS O/P 3
KILLAY NORTH	DUNVANT ROAD	573	DYLAN ROAD O/S 6
KILLAY NORTH	FAIRY GROVE	818	O/S 18
KILLAY NORTH	GOETRE FACH ROAD	582	GOETRE FACH ROAD JCT DUNVANT ROAD
KILLAY NORTH	HENDREFOILAN ROAD	596	HENDREFOILAN ROAD JCT DUNVANT ROAD
KILLAY NORTH	HENDREFOILAN ROAD	579	HENDREFOILAN ROAD JCT FFORDD DRYDEN
KILLAY NORTH	LAMB LANE	580	LAMB LANE JCT FFORDD DRYDEN
KILLAY NORTH	LANDOR AVENUE	572	LANDOR AVENUE JCT DYLAN ROAD
KILLAY NORTH	LON ALFA	581	LON ALFA JCT FFORDD TALIESIN



Area	Street	Bin no	Location
KILLAY NORTH	PENTRE BANADL	576	PENTRE BANADL O/S 2
KILLAY NORTH	WIMMERFIELD AVENUE	574	HEOL GLASNANT JCT WIMMERFIELD AVENUE
KILLAY NORTH	WIMMERFIELD CLOSE	575	WIMMERFIELD CLOSE O/S 1
KILLAY NORTH	WIMMERFIELD DRIVE	577	WIMMERFIELD DRIVE JCT DUNVANT ROAD
KILLAY SOUTH	ASH GROVE	560	ASH GROVE JCT BROADMEAD
KILLAY SOUTH	BROADACRE	557	BROADACRE O/S 58
KILLAY SOUTH	BROADMEAD	824	Full
KILLAY SOUTH	CYGNET CLOSE	597	CYGNET CLOSE O/S SURGERY
KILLAY SOUTH	LIME GROVE	561	HEASELAND PLACE JCT LIME GROVE
KILLAY SOUTH	MILLWOOD GARDENS	571	MILLWOOD GARDENS JCT STEPHENSON ROAD
KILLAY SOUTH	OAKDENE	556	OAKDENE JCT BROADACRE
KILLAY SOUTH	RIDGEWAY	554	WOODCOTE JCT RIDGEWAY
KILLAY SOUTH	ST CHRISTOPHER DRIVE	553	ST CHRISTOPHER DRIVE JCT RIDGEWAY
KILLAY SOUTH	THE DELL	551	THE DELL O/S 6
KILLAY SOUTH	WOODCOTE	555	ST AIDEN DRIVE JCT WOODCOTE
KILLAY SOUTH	WOODSIDE AVENUE	552	WOODSIDE AVENUE S/O 19
LANDORE	CNAP LLWYD ROAD	409	TREWYDFFA ROAD JCT CNAP LLWYD ROAD
LANDORE	CNAP LLWYD ROAD	402	CNAP LLWYD ROAD OPP 28
LANDORE	CNAP LLWYD ROAD	404	CNAP LLWYD ROAD O/S 19
LANDORE	DINAS STREET	415	DINAS STREET OPP 59
LANDORE	DYRUS ROAD	416	DYRUS ROAD JCT ESSEX TERRACE
LANDORE	FORBES STREET	414	FORBES STREET JCT SALEM ROAD
LANDORE	MORGAN STREET	437	MORGAN STREET JCT ABERDYBERTHI STREET
LANDORE	ODO STREET	436	ODO STREET JCT GRAHAM STREET
LANDORE	PWLL STREET	819	Empty
LANDORE	ROAD FROM BRUNEL WAY TO NORMAN	434	NORMANDY ROAD AT JCT
LANDORE	SALEM ROAD	411	TREWYDDFA ROAD JCT SALEM ROAD
LANDORE	SHARPSBURG PLACE	821	Empty
LANDORE	SILOH ROAD	820	
LANDORE	SMYRNA STREET	418	SMYRNA STREET OPP 6
LANDORE	TREWYDDFA ROAD	412	TREWYDDFA ROAD JCT CWM LEVEL ROAD
LANDORE	U/S-Y300	419	DINAS STREET OPP 130
LANDORE	VERNON STREET	438	VERNON STREET O/S 6
LLANGYFELACH	BRYN BACH ROAD	20	BRYN BACH ROAD O/S BRYN BACH FARM
LLANGYFELACH	BRYN BACH ROAD	21	BRYN BACH ROAD, 5 ROADS
LLANGYFELACH	BRYN HEDYDD	141	BRYN HEDYDD O/S 8
LLANGYFELACH	BRYNTIRION ROAD	17	BRYNTIRION ROAD JCT TO 186 - 202
LLANGYFELACH	BRYNTYWOD	120	BRYNTYWOD S/O 6
LLANGYFELACH	CAE EITHIN	144	CAE EITHIN O/S 14
LLANGYFELACH	CAE MELYN	142	CAE MELYN OPP 8
LLANGYFELACH	CARMEL ROAD	19	CARMEL ROAD OPP 7
LLANGYFELACH	CHRISTOPHER RISE	98	CHRISTOPHER RISE JCT VERNON CLOSE
LLANGYFELACH	CLOS GLANLLIW	97	CLOS GLANLLIW O/S 58
LLANGYFELACH	CLOS SANT TEILO	138	CLOS SANT TEILO OPP 14
LLANGYFELACH	FAIRVIEW ROAD	136	FAIRVIEW ROAD JCT PENGORS ROAD
LLANGYFELACH	HEOL WAUN WEN	140	HEOL WAUN WEN OPP 79
LLANGYFELACH	HEOL WAUN WEN	139	HEOL WAUN WEN OP JCT FFORDD DEWI
LLANGYFELACH	LLYS PENPANT	143	LLYS PENPANT S/O 46
LLANGYFELACH	SWANSEA ROAD	137	PENGORS ROAD JCT SWANSEA ROAD
LLANGYFELACH	Y LLANERCH	18	Y LLANERCH S/O 10
LLANSAMLET	BALACLAVA ROAD	216	BALACLAVA ROAD O/S 2 TOP OF HILL
LLANSAMLET	BIRCHGROVE ROAD	215	BIRCHGROVE ROAD JCT SCHOOL ROAD
LLANSAMLET	BRAN CLOSE	488	BRAN CLOSE
LLANSAMLET	BRIDGE STREET	221	YNYS Y MOND ROAD JCT BRIDGE STREET
LLANSAMLET	BRIDGE STREET	220	BRIDGE STREET TOP OF HILL OPP 1
LLANSAMLET	BRONWYDD	541	BRONWYDD O/P 27
LLANSAMLET	CEFN ROAD	214	CEFN ROAD JCT NICHOLAS ROAD
LLANSAMLET	CLOS EILEEN CHILCOTT	517	CLOSE EILEEN CHILCOTT O/P 15
LLANSAMLET	CLOS NANT BRAN	224	CLOS BRAN OPP 10
LLANSAMLET	CLOS Y FENDROD	487	CLOS Y FENDROD JCT PANT Y BLAWD
LLANSAMLET	CLOS YSGALLEN	525	CLOS YSGALLEN O/S 34
LLANSAMLET	DAN Y COED ROAD	535	DAN Y COED ROAD O/P JCT RHYD Y COED
LLANSAMLET	DAN Y COED ROAD	536	GLANBRAN ROAD JCT DAN Y COED ROAD
LLANSAMLET	DYFFRYN AUR ROAD	514	TYN Y CAE ROAD JCT DYFFRYN AUR ROAD
LLANSAMLET	FAIR VIEW CLOSE	527	FAIRVIEW CLOSE JCT LON BRYNAWEL
LLANSAMLET	FFORDD LLUNDAIN	513	FFORDD LLUNDAIN JCT MIDLAND PL
LLANSAMLET	FFORDD MELYN MAIR	515	FFORDD MELYN MAIR JCT LON ENFYS
LLANSAMLET	FFORDD SCOTT	207	FFORDD SCOTT JCT GWERNLLWYNCHWYTH ROAD
LLANSAMLET	FFORDD Y BRYN	228	FFORDD Y BRYN O/P JCT LLYS-Y-COED
LLANSAMLET	FREDERICK PLACE	531	FREDERICK PLACE O/S 88

Area	Street	Bin no	Location
LLANSAMLET	FREDERICK PLACE	533	CLOS YR YSGOL JCT FREDERICK PLACE
LLANSAMLET	GARTH ROAD	213	CEFN ROAD JCT GARTH ROAD
LLANSAMLET	GOLWG Y COED	202	GOLWG Y COED JCT HERBERT THOMAS WAY
LLANSAMLET	GRAIG ROAD	219	GRAIG ROAD BY LAYBY
LLANSAMLET	GRAIG Y DDERI	218	GRAIG Y DDERI O/P 9
LLANSAMLET	GRAIGOLA ROAD	217	GRAIGOLA ROAD JCT GRAIG Y DDERI
LLANSAMLET	GREENFIELD CLOSE	522	GREENFIELD CLOSE O/S 2
LLANSAMLET	GREENFIELD CRESCENT	518	GREENFIELD CRESCENT JCT HEOL HAFDY
LLANSAMLET	GREENFIELD CRESCENT	523	GREENFIELD CRESCENT JCT MAES YR HAF
LLANSAMLET	HEOL BARCUD	539	HEOL BARCUD O/S 43
LLANSAMLET	HEOL BRITHDIR	537	HEOL BRITHDIR O/P 23
LLANSAMLET	HEOL BROCH	538	LLYS DWYRGI JCT HEOL BROCH
LLANSAMLET	HEOL CAE RHOSYN	226	HEOL CAE RHOSYN O/S 10
LLANSAMLET	HEOL CAMLAN	225	HEOL CAMLAN O/S 66
LLANSAMLET	HEOL RHUDDOS	532	HEOL RHUDDOS JCT FREDERICK PLACE
LLANSAMLET	HEOL YSGYFARNOG	540	HEOL YSGYFARNOG O/S 22
LLANSAMLET	HERBERT THOMAS WAY	199	HERBERT THOMAS WAY OPP 9
LLANSAMLET	HERBERT THOMAS WAY	499	
LLANSAMLET	LLYS AEL Y BRYN	200	LLYS AEL Y BRYN O/S 2
LLANSAMLET	LLYS AEL Y BRYN	201	LLYS AEL Y BRYN S/O 44
LLANSAMLET	LLYS LLWYFEN	204	LLYS LLWYFEN S/O 34
LLANSAMLET	LON BRYNAWEL	528	LON BRYNAWEL JCT BRYN TEG
LLANSAMLET	LON BRYNAWEL	526	LON BRYNAWEL JCT FREDERICK PLACE
LLANSAMLET	LON ENFYS	516	LON ENFYS O/S 76
LLANSAMLET	LON OGWEN	227	LON OGWEN O/S 2
LLANSAMLET	MAES BRIALLU	519	MAES BRIALLU O/S 6
LLANSAMLET	MAES MEILLION	521	MAES MEILLION O/S 6
LLANSAMLET	MAES Y DDERWEN	530	MAES Y DDERWEN JCT BRYN TEG
LLANSAMLET	MAES Y DERI	206	MAES Y DERI BY SUB STATION
LLANSAMLET	MAES YR AWEL	520	MAES YR AWEL JCT GREENFIELD CRESCENT
LLANSAMLET	MEADOW VIEW	529	MEADOW VIEW JCT LON BRYNAWEL
LLANSAMLET	MINSTER CLOSE	489	MINSTER CLOSE JCT CORONET WAY
LLANSAMLET	OAKLAND CLOSE	222	OAKLAND CLOSE O/S 11
LLANSAMLET	PEN Y FAN	524	PEN Y FAN JCT HEOL DAL Y COPA
LLANSAMLET	PENIEL GREEN ROAD	534	PENIEL GREEN ROAD O/P 389
LLANSAMLET	PENRICE COURT	490	FENDROD BUSINESS PARK
LLANSAMLET	ROAD FROM HERON DRIVE TO RIVERS	209	HERNON DRIVE O/S PHARMACEUTICALS
LLANSAMLET	ROAD FROM MALLARD WAY TO AXIS C	208	MALLARD WAY OPP WHITE CAPITAL CONSULTATIONS
LLANSAMLET	SMITHS ROAD	223	SMITHS ROAD O/S 50
LLANSAMLET	STATION ROAD	211	STATION ROAD JCT NICHOLS ROAD
LLANSAMLET	SYCAMORE AVENUE	205	SYCAMORE AVENUE O/S 34
LLANSAMLET	UPPER FFOREST WAY	210	UPPER FFOREST WAY JCT ASHMOUNT BUSINESS PARK
LLANSAMLET	Y GWERNYDD	212	Y GWERNYDD OPP 17
LLANSAMLET	YNYSALLAN ROAD	203	YNYSALLAN ROAD BY LAYBY
LOWER LOUGHOR	BEILI GLAS	68	BEILI GLAS O/S 11
LOWER LOUGHOR	CASTLE STREET	64	DOCK STREET JCT CASTLE STREET
LOWER LOUGHOR	CULFOR ROAD	65	CULFOR ROAD JCT GLEBE ROAD
LOWER LOUGHOR	CULFOR ROAD	66	CULFOR ROAD OPP 105
LOWER LOUGHOR	GLANYMOR PARK DRIVE	63	GLANYMOR PARK DRIVE JCT LOWDOR DRIVE
LOWER LOUGHOR	GLEBE ROAD	62	GLEBE ROAD ROUNDABOUT - WAR MEMORIAL
LOWER LOUGHOR	HEOL PEN Y BEILI	67	HEOL PEN Y BEILI JCT BRYN LLWCHWR ROAD
LOWER LOUGHOR	HEOL Y WERN	815	HEOL Y WERN JCT HEOL Y LLAN
LOWER LOUGHOR	U/S-Y1669	825	
MAWR	BWLCH Y GWYN	31	BWLCH Y GWYN OPP 14
MAWR	CLYDACH ROAD	45	CLYDACH ROAD OPP VALLEY VIEW
MAWR	CLYDACH ROAD	49	CLYDACH ROAD O/S PUMPING STATION
MAWR	FAGWR ISAF	36	FAGWR ISAF JCT LON HEDDWCH
MAWR	FAGWR ISAF	37	FAGWR ISAF O/S 7
MAWR	FAGWR ROAD	46	FAGWR ROAD JCT CLYDACH ROAD
MAWR	FAGWR ROAD	47	CADWGAN ROAD OPP 27
MAWR	HEOL GLYN DYFAL	32	HEOL GLYN DYFAL JCT C/S - 159 FR
MAWR	HEOL GLYN DYFAL	25	HEOL GLYN DYFAL BY CATTLE GRID
MAWR	HEOL GLYN DYFAL	28	HEOL GLYN DYFAL OPP CROWN BUNGALOW
MAWR	HEOL MYDDFAI	29	HEOL MYDDFAI O/S 13
MAWR	HEOL Y Mynydd	27	HEOL Y Mynydd OPP GARNSWLLT A/C
MAWR	LON HEDDWCH	35	LON HEDDWCH JCT Ffordd Ellen
MAWR	RHYD Y GWIN	43	RHYD Y GWYN BY PHONE BOX
MAWR	RHYD Y GWIN	44	RHYD Y GWIN
MAWR	RHYDDWEN PLACE	34	RHYDDWEN PLACE JCT RHYDDWEN ROAD
MAWR	RHYDDWEN ROAD	48	RHYDDWEN ROAD JCT CLYDACH ROAD

Area	Street	Bin no	Location
MAWR	RHYDYPANDY ROAD	121	RHYDYPANDY ROAD BEND BY MASONS ARMS
MAWR	U/S-Y684	42	U/S-Y684 GWERN-LLWYN
MAWR	U/S-Y688	40	U/S-Y688 TY LLWYDYN FARM JCT
MAWR	U/S-Y690	41	LLECHORT FOWR (ENTRANCE) U/S-Y687
MAWR	U/S-Y703	39	U/S-Y703 JCT U/S-Y706
MAWR	U/S-Y726	30	U/S-Y726 O/S PANTYFALLEN
MAWR	U/S-Y745	38	U/S-Y745 PEN Y BANC COTTAGE
MAWR	U/S-Y815	33	U/S-Y815 ROAD TO PENTREBEDW COTTAGE
MAWR	U/S-Y824	26	U/S-Y824 O/S GLAN-YR-AFON, CWMCERDINEN
MAWR	U/S-Y840	24	U/S-Y840 O/S HENGLAWDD
MAWR	U/S-Y843	23	U/S - Y843 OPP HAFOD LAS
MAWR	U/S-Y851	22	U/S - Y851 ROAD TO HOUSTY KENNELS
MAYALS	BIRKDALE CLOSE	613	BIRKDALE CLOSE JCT SOUTHERNDOWN AVENUE
MAYALS	CASTLE VIEW	622	MILL LANE O/S CLYNE CASTLE
MAYALS	CLYNE CRESCENT	609	CLYNE CRESCENT JCT SUNNINGDALE AVENUE
MAYALS	FERNHILL CLOSE	617	FERNHILL CLOSE O/S 44
MAYALS	MILL LANE	621	ROMAN BRIDGE CLOSE JCT MILL LANE
MAYALS	MUIRFIELD DRIVE	607	
MAYALS	MUIRFIELD DRIVE	608	MUIRFIELD DRIVE JCT WENTWORTH CRESCENT
MAYALS	OWLS LODGE LANE	612	OWLS LODGE LANE OPP 34
MAYALS	RADYR AVENUE	610	RADYR AVENUE ASHBURNHAM DRIVE
MAYALS	ROMAN COURT	620	ROMAN COURT JCT MILL LANE
MAYALS	SHERBORNE WALK	618	SHERBOURNE WALK O/S 1
MAYALS	ST ANDREWS CLOSE	611	ST ANDREWS CLOSE JCT OWLS LODGE LANE
MAYALS	ST CATWG WALK	614	ST CATWG WALK JCT WESTPORT AVENUE
MAYALS	WESTPORT AVENUE	615	WESTPORT AVENUE JCT MAYALS ROAD
MAYALS	WHITEGATES	619	WHITEGATES O/P 10
MORRISTON	ANDREW CRESCENT	191	GARTH VIEW JCT ANDREW CRESCENT
MORRISTON	ARWELFA	149	ARWELFA JCT MOUNT CRESCENT
MORRISTON	BATH AVENUE	164	BATH AVENUE OPP 17
MORRISTON	BISHOPS WALK	133	BISHOPS WALK OPP 6
MORRISTON	BRODORION DRIVE	126	
MORRISTON	BRODORION DRIVE	127	MAES Y GWERNEN DRIVE JCT BRODORAIN DRIVE
MORRISTON	BRYN EGLUR ROAD	381	BRYN EGLUR ROAD JCT CWMGELLI ROAD
MORRISTON	BRYNTAWE ROAD	185	BRYNTAWE ROAD OPP 21
MORRISTON	BUTTERS LADE GROVE	193	BUTTERS LADE GROVE OPP JCT HAREBELL CLOSE
MORRISTON	BWLLFA ROAD	181	BWLLFA ROAD OPP 19
MORRISTON	C/S- C164 FR C164 JWACRD ELECTRIC	119	U/S-Y829 ENT TO PEN Y WAUN-FACH
MORRISTON	CAMELLIA DRIVE	129	CAMELLIA DRIVE JCT HEOL RHOSYN
MORRISTON	CAN YR EOS	154	CAN YR EOS JCT LLWYN YR EOS
MORRISTON	CASTLE GRAIG ROAD	403	CASTLE GRAIG ROAD JCT CNAP LWYDD ROAD
MORRISTON	CHRISTOPHER ROAD	192	CHRISTOPHER ROAD OPP 72
MORRISTON	CLYDACH ROAD	189	CLYDACH ROAD O/S SMITHS PET FOODS
MORRISTON	CLYDACH ROAD	190	CLYDACH ROAD OPP 427
MORRISTON	CLYNDU STREET	422	CLYNDU STREET JCT ARAN ARAN STREET
MORRISTON	CLYNDU STREET	424	CLYNDU STREET JCT MORFYDD STREET
MORRISTON	CROWN STREET	486	CROWN STREET JCT GLANTAWA STREET
MORRISTON	CROWN STREET	429	CROWN STREET OPP 23
MORRISTON	CWMBATH ROAD	162	HEREB ROAD JCT CWMBATH ROAD
MORRISTON	CWMGELLI ROAD	382	CWMGELLI ROAD O/P 33
MORRISTON	DEE PLACE	194	DEE PLACE OPP JCT HEOL CAERLLION
MORRISTON	DENBIGH CRESCENT	187	DENBIGH CRESCENT JCT RADNOR DRIVE
MORRISTON	DENBIGH CRESCENT	188	DENBIGH CRESCENT O/S 35
MORRISTON	DENBIGH CRESCENT	12	OUTSIDE NO 35
MORRISTON	EMLYN TERRACE	417	EMLYN TERRACE JCT ALFRED ROAD
MORRISTON	FOOTPATH FROM DENBIGH CRESCENT TO 4M NORTH OF NOS		FOOTPATH FROM DENBIGH CRESCENT TO 4M NORTH OF NOS
MORRISTON	GELLIFAWR ROAD	384	GELLIFAWR ROAD O/S 66
MORRISTON	GELLIFAWR ROAD	385	GELLIFAWR ROAD JCT GWMGELLI ROAD
MORRISTON	GELLIGLAS ROAD	383	GELLIGWN ROAD O/S 33
MORRISTON	GLASBURY ROAD	379	GLASBURY ROAD JCT BRYN EGLUR ROAD
MORRISTON	GLASBURY ROAD	378	GLASBURY ROAD O/P 12
MORRISTON	GLYNCOLLEN DRIVE	198	GLYNCOLEN DRIVE OS 1
MORRISTON	GODRER COED	152	GODRER COED JCT MOUNT CRESCENT
MORRISTON	GORDON ROWLEY WAY	122	GORDON ROWLEY WAY OPP 2
MORRISTON	GRAIG ROAD	425	GRAIG ROAD OPP 112
MORRISTON	GRAIG ROAD	406	GRAIG ROAD JCT TREWYDDFA ROAD
MORRISTON	GWLAD Y GAN	151	GWLAD Y GAN OPP 8
MORRISTON	HEOL BRIALLU	132	HEOL BRIALLU OS SUB STATION
MORRISTON	HEOL CAERLLION	195	HEOL CAERLLION O/S 16

Area	Street	Bin no	Location
MORRISTON	HEOL EIRLYS	131	HEOL EIRLYS JCT HEOL RHOSYN
MORRISTON	HEOL MAES Y GELYNEN	134	HEOL MAES Y GELYNEN OPP 2
MORRISTON	HEOL MIAREN	130	HEOL MIAREN JCT HEOL RHOSYN
MORRISTON	HEOL SAFFRWWM	128	HEOL SAFFRWWM OS 22
MORRISTON	HEOL TREFFYNNON	196	HEOL TREFFYNNON OS 20
MORRISTON	LAN MANOR	432	LAN MANOR O/S 21
MORRISTON	LAN STREET	163	LAN STREET JCT CWMBATH ROAD
MORRISTON	LLEWELYN PARK DRIVE	405	LLEWELYN PARK DRIVE OPP 97
MORRISTON	LLWYNCARW	123	LLWYN AFANC JCT LLWYNCARW
MORRISTON	LON CAMLAD	431	LON CAMLAD JCT HEOL CEFNI
MORRISTON	LON SAWDDE	433	LON SAWDDE JCT LON CAMLAD
MORRISTON	MAES Y BRYN	158	MAES Y BRYN JCT TAWE VIEW CRESCENT
MORRISTON	MAES Y COED	155	MAES Y COED OPP 3
MORRISTON	MAES Y GWERNEN ROAD	229	MAES Y GWERNEN DRIVE JCT MAES Y GWERNEN ROAD
MORRISTON	MARKET STREET	485	MARKET STREET JCT MORFYDD STREET
MORRISTON	MARTIN STREET	427	MARTIN STREET S/O 99
MORRISTON	PARC ROAD	421	PARC ROAD JCT BRYN PARC
MORRISTON	PARC TERRACE	420	PARC TERRACE OPP 12
MORRISTON	PARK CLOSE	822	Empty
MORRISTON	PEN YR YRFA	150	PEN YR ARFA O/S 33
MORRISTON	PENRICE STREET	157	PENRICE STREET JCT SPRINGFIELD STREET
MORRISTON	PENTREMALWED ROAD	423	PENTREMALWED ROAD JCT PLAS Y COED ROAD
MORRISTON	PINE CRESCENT	153	PINE CRESCENT JCT MOUNT CRESCENT
MORRISTON	PLAS CADWGAN ROAD	180	PLAS CADWGAN ROAD OPP JCT BRYNTAWA, HALL, CLOSE
MORRISTON	PLEASANT STREET	159	PLEASANT STREET JCT PENTREPOETH ROAD
MORRISTON	RADNOR DRIVE	186	RADNOR DRIVE OPP 10
MORRISTON	RHODFAR DRYW	125	HEOL Y DRUDWEN JCT RHOFAR DRYW
MORRISTON	RHODFAR DRYW	124	RHODFAR DRYW OS 2
MORRISTON	RHODFAR WENNOL	197	RHODFAR WENNOL JCT LLWYN Y GOLOMEN
MORRISTON	ROSEMARY COURT	156	ROSEMARY COURT JCT PLEASANT STREET
MORRISTON	SALEM ROAD	413	SALEM ROAD OPP 98
MORRISTON	SHEPHERDS ROAD	830	
MORRISTON	SLATE STREET	428	SLATE STREET JCT HOREB ROAD
MORRISTON	SOAR TERRACE	245	SOAR TERRACE JCT PENTREPOETH SCHOOL ROAD
MORRISTON	SPIONKOP ROAD	182	SPIONKOP ROAD TOP OF HILL
MORRISTON	SPIONKOP ROAD	183	SPIONKOP ROAD OPP 1
MORRISTON	TREHARNE ROAD	160	TREHARNE ROAD OPP 12
MORRISTON	TREHARNE ROAD	161	TREHARNE ROAD O/S 9
MORRISTON	TREWYDDFA ROAD	410	TREWYDDFA ROAD OPP 143
MORRISTON	TREWYDDFA ROAD	408	TREWYDDFA ROAD OPP 286
MORRISTON	TREWYDDFA ROAD	407	TREWYDDFA ROAD S/O 332
MORRISTON	ULLSWATER CRESCENT	430	ULLSWATER CRESCENT JCT WINDERMERE ROAD
MORRISTON	UPLANDS TERRACE	426	UPLANDS TERRACE JCT CLYNDU STREET
MORRISTON	WALTHAM CLOSE	380	WALTHAM CLOSE O/P 9
MORRISTON	WAUN ROAD	811	WAUN ROAD JCT CWRT IFOR SIMS
MORRISTON	WOODLAND PARK	184	WOODLAND PARK OPP 3
MYNYDDBACH	BRYNAWEL CRESCENT	391	BRYNAWEL CRESCENT JCT HEOL GWELL
MYNYDDBACH	BRYNGELLI ROAD	390	BRYNGELLI DRIVE JCT BRYNGELLI ROAD
MYNYDDBACH	CWMGELLI CLOSE	400	CWMGELLI CLOSE JCT CWMGELLI DRIVE
MYNYDDBACH	GELLI AUR	395	GELLI AUR S/O 66
MYNYDDBACH	GELLI AUR	393	GELLI AUR O/S 130
MYNYDDBACH	GELLI AUR	394	GELLI AUR OPP 106
MYNYDDBACH	HEOL FACH	396	HEOL FACH JCT HEOL Y CNAP
MYNYDDBACH	HEOL FACH	397	HEOL FACH JCT NEW QUARR ROAD
MYNYDDBACH	HEOL NANT GELLI	401	HEOL NANT GELLI JCT HEOL Y CNAP
MYNYDDBACH	HEOL Y CNAP	392	BRYNAWEL CRESCENT JCT HEOL Y CNAP
MYNYDDBACH	HILL VIEW CRESCENT	814	HILL VIEW CRESCENT O/S 78
MYNYDDBACH	HOLLETT ROAD	446	HOLLETT ROAD O/S 158
MYNYDDBACH	HOLLETT ROAD	449	HOLLETT ROAD O/S 2
MYNYDDBACH	HOLLETT ROAD	448	HOLLETT ROAD JCT LLOYD ROAD
MYNYDDBACH	LLOYD ROAD	447	LLOYD ROAD S/O 123
MYNYDDBACH	LONG VIEW ROAD	145	LONG VIEW ROAD O/S DVLA
MYNYDDBACH	OAKWOOD AVENUE	146	ELAN AVENUE OPP 109
MYNYDDBACH	PARKHILL ROAD	445	PARKHILL ROAD JCT LLANGYFELACH ROAD
MYNYDDBACH	PARKHILL TERRACE	443	PARKHILL TERRACE O/S 34
MYNYDDBACH	PARKHILL TERRACE	444	PARKHILL TERRACE O/S 2
MYNYDDBACH	PENLAN ROAD	442	PENLAN ROAD JCT PARKHILL TERRACE
MYNYDDBACH	PINEWAY	398	PINEWAY OPP 23
MYNYDDBACH	PINEWAY	399	PINEWAY JCT CWMGELLI DRIVE
MYNYDDBACH	ROGER STREET	389	CRWYS TERRACE JCT ROGER STREET

Area	Street	Bin no	Location
MYNYDDBACH	SECOND AVENUE	826	
MYNYDDBACH	THIRD AVENUE	147	THIRD AVENUE JCT ELAN AVENUE
MYNYDDBACH	WAUN GRON ROAD	441	WAUN GRON CLOSE JCT WAUN GRON ROAD
MYNYDDBACH	YSTWYTH PLACE	148	YSTWYTH PLACE JCT LONG VIEW ROAD
NEWTON	BRIARWOOD GARDENS	739	BRIARWOOD GARDENS OPP 11
NEWTON	CASWELL DRIVE	741	CASWELL DRIVE JCT CASWELL ROAD
NEWTON	COLTSHILL DRIVE	752	COLTSHILL DRIVE O/S 1A
NEWTON	COLTSHILL DRIVE	753	COLTSHILL DRIVE O/S 5
NEWTON	CREST ACRE CLOSE	748	CREST ACRE JCT HIGHMEAD AVENUE
NEWTON	LAMBS WELL CLOSE	787	LAMBSWELL CLOSE JCT WORCESTER DRIVE
NEWTON	LANGLAND BAY ROAD	744	LANGLAND BAY ROAD OPP 28
NEWTON	LANGLAND COURT ROAD	742	LANGLAND COURT ROAD S/O 25
NEWTON	LANGLAND COURT ROAD	743	LANGLAND COURT ROAD JCT BRYNFIELD ROAD
NEWTON	MELCORN DRIVE	740	MELCORN DRIVE JCT SUMMERLAND LANE
NEWTON	MILLANDS CLOSE	738	MIDLANDS CLOSE O/S 8
NEWTON	MOORLAND AVENUE	749	MOORLAND AVENUE S/O 21
NEWTON	NEW WELL LANE	751	NEW WELL LANE O/S GARAGE
NEWTON	NEWTON ROAD	750	NEWTON ROAD JCT NEW WELL LANE
NEWTON	OVERLAND ROAD	746	OVERLAND ROAD JCT LANGLAND ROAD
NEWTON	ROTHERSLADE ROAD	745	ROTHERSLADE ROAD JCT SOUTHWARD LANE
NEWTON	WYCHWOOD CLOSE	776	WYCHWOOD CLOSE OPP 19
OYSTERMOUTH	CASTLE ROAD	778	NEWTON ROAD O/S POLICE STATION
OYSTERMOUTH	CASTLE ROAD	774	CASTLE ROAD OPP 35
OYSTERMOUTH	CASTLE ROAD	779	CASTLE ROAD OPP 114
OYSTERMOUTH	CHAPEL STREET	780	CHAPEL STREET JCT VICTORIA AVENUE
OYSTERMOUTH	GLOUCESTER PLACE	790	GLOUCESTER PLACE JCT DUNNS LANE
OYSTERMOUTH	MUMBLES ROAD	785	MUMBLES ROAD S/O BIG APPLE
OYSTERMOUTH	MYRTLE TERRACE	783	MYRTLE TERRACE O/S 4
OYSTERMOUTH	NEWTON ROAD	777	NEWTON ROAD OPP POLICE STATION
OYSTERMOUTH	OVERLAND ROAD	791	KINGS ROAD JCT OVERLAND ROAD
OYSTERMOUTH	OVERLAND ROAD	781	OVERLAND ROAD O/S 92
OYSTERMOUTH	OVERLAND ROAD	784	OVERLAND ROAD JCT BROADVIEW LANE
OYSTERMOUTH	SOUTHWARD LANE	747	SOUTHWARD LANE O/S 26
OYSTERMOUTH	THISTLEBOON DRIVE	786	THISTLEBOON JCT NEW VILLAS
OYSTERMOUTH	TICHBOURNE STREET	792	TICHBOURNE STREET
OYSTERMOUTH	VILLAGE LANE	793	VILLAGE LANE OPP 12
OYSTERMOUTH	WAVERLEY DRIVE	775	WAVERLEY DRIVE S/O 1
OYSTERMOUTH	WESTBOURNE PLACE	782	WESTBOURNE PLACE O/S 2A
OYSTERMOUTH	WESTERN LANE	794	WESTERN LANE S/O 14
PENCLAWDD	AEL Y BRYN	266	AEL-Y-BRYN JCT VICTORIA ROAD
PENCLAWDD	BENSON ROAD	269	BENSON ROAD JCT OLD COLLIERS ROAD
PENCLAWDD	BETHEL ROAD	264	BETHEL ROAD O/S LEASON
PENCLAWDD	BLAENCEDI	273	BLAENCEDI JCT BLUE ANCHOR ROAD
PENCLAWDD	C/S- C156(39103488)	274	BLUE ANCHOR ROAD JCT ANCHOR COURT
PENCLAWDD	DUNRAVEN CLOSE	263	DUNRAVEN CLOSE JCT VICTORIA ROAD
PENCLAWDD	DUNRAVEN CLOSE	262	DUNRAVEN CLOSE ON ROUNDABOUT
PENCLAWDD	GRAIG Y COED	257	GRAIG-Y-COED O/S 63
PENCLAWDD	MAES Y GLENYN	272	MAES-Y-GLENYN JCT PARC HENDY CRESCENT
PENCLAWDD	MAES YR HAF	268	MAES-YR-HAF O/S 36
PENCLAWDD	NURSES CORNER	270	NURSES CORNER JCT HENDY ROAD
PENCLAWDD	PARC HENDY CRESCENT	271	PARC HENDY CRESCENT O/S 18
PENCLAWDD	PARK ROAD	258	PARK ROAD AT SCHOOL ENTERANCE
PENCLAWDD	RHYD Y FENNI	255	RHYD-Y-FENNI S/O 20
PENCLAWDD	STATION ROAD	254	STATION ROAD O/S 7A
PENCLAWDD	THE LANE	244	THE LANE S/O 4
PENCLAWDD	U/S-Y1843	259	HAFOD-Y-GAN O/S 1
PENCLAWDD	U/S-Y1847	260	PEN-Y-GAER AT JCT
PENCLAWDD	U/S-Y1847	261	CABAN ISAAC ROAD JUST BEFORE 4
PENCLAWDD	U/S-Y1848	256	CROFTY CAR PARK BY GRAVE YARD
PENCLAWDD	U/S-Y1870	267	OLD COLLIERS ROAD TOP OF HILL
PENCLAWDD	U/S-Y1905	544	O/P BRYN FARM
PENCLAWDD	U/S-Y1926	252	LLANMORLAIS OPP CLOSED PRIMARY SCHOOL
PENCLAWDD	U/S-Y1978	542	RHALLT HOUSE O/P BROOKLYN
PENCLAWDD	U/S-Y1978	253	ALLT-YR-AWEL IN GARDEN
PENCLAWDD	U/S-Y1990	543	JUST BEFORE BANK FARM (SOUTH)
PENCLAWDD	VICTORIA ROAD	265	VICTORIA ROAD JCT BETHEL ROAD
PENDERRY	AFON LLAN GARDENS	345	AFON LLAN GARDENS JCT CADLE CRESCENT
PENDERRY	BETTWS ROAD	439	BETTWS ROAD OPP 4
PENDERRY	CADNANT ROAD	440	CADNANT ROAD JCT HEOL FRANK
PENDERRY	CWM CADLE	337	CWM CADLE JCT CATHAN CRESCENT

Area	Street	Bin no	Location
PENDERRY	DOVE ROAD	335	DOVE ROAD JCT PORTMEAD AVENUE
PENDERRY	FERMOY COURT	338	FERMOY COURT JCT WHITEFORD ROAD
PENDERRY	GRASSHOLM GARDENS	333	GRASSHOLM GARDENS O/S 26
PENDERRY	HEOL AWSTIN	386	HEOL AWSTIN JCT HEOL CALFIN
PENDERRY	HEOL EMRYS	387	HEOL EMRYS O/S 133
PENDERRY	HEOL HERMAS	388	HEOL HERMAS JCT HEOL CADIFOR
PENDERRY	LLANGORSE ROAD	829	
PENDERRY	LLANGWM	341	LLANGWM O/S 2
PENDERRY	MEWSLADE AVENUE	344	MEWSLADE AVENUE JCT PORTMEAD AVENUE
PENDERRY	MILFORD WAY	342	MILFORD WAY JCT TEMPLETON WAY
PENDERRY	MYNYDD NEWYDD ROAD	340	MYNYDD NEWYDD ROAD JCT HEOL PEN TIR GARW
PENDERRY	PENPLAS ROAD	334	PENPLAS ROAD O/S 68
PENDERRY	PORT TALBOT PLACE	346	PORT TALBOT PLACE JCT FFORDD Y BRAIN
PENDERRY	ST CENYDD ROAD	339	ST CENYDD ROAD OPP 46
PENDERRY	ST RHIDIAN ROAD	336	ST RHIDIAN ROAD OPP 27
PENDERRY	TEMPLETON WAY	343	TEMPLETON WAY JCT NEWGALE CLOSE
PENLLERGAER	BRYNHYFRYD	101	BRYNHYFRYD O/P 27
PENLLERGAER	BRYNHYFRYD	102	BRYNHYFRYD S/O 14
PENLLERGAER	DRUIDSTONE WAY	110	CLOS BRYN DAFYDD JCT DRUIDSTONE WAY
PENLLERGAER	ELM CRESCENT	117	ELM CRESCENT S/O 40
PENLLERGAER	FFORDD DILLWYN LLEWELLYN	114	FFORDD DILLWYN LLEWELLYN JCT KEEPERS CLOSE
PENLLERGAER	FFORDD Y GOEDWIG	104	FFORDD Y GOEDWIG OPP 10
PENLLERGAER	GELLI GYNORE	89	GELLI GYNORE OPP CLUB
PENLLERGAER	GORSEINON ROAD	111	GORSEINON ROAD OPP 45 BY PARK
PENLLERGAER	HEOL TIRCOED	106	HEOL TIRCOED AT ROUNDABOUT
PENLLERGAER	HEOL TIRCOED	99	HEOL TIRCOED S/O 19
PENLLERGAER	HEOL TIRCOED	107	HEOL TIRCOED ON BRIDGE
PENLLERGAER	HOME FARM WAY	115	HOME FARM OPP 45
PENLLERGAER	HOME FARM WAY	116	
PENLLERGAER	LLEWELLYN ROAD	91	LLEWELLYN ROAD JCT MOUNT PLEASANT
PENLLERGAER	LLYN TIRCOED	105	LLYN TIRCOED OPP 12
PENLLERGAER	LLYN TIRCOED	103	LLYN TIRCOED S/O 45
PENLLERGAER	MOUNT CRESCENT	90	MOUNT CRESCENT OS 31
PENLLERGAER	NANT GLAS	100	NANT GLAS O/P 7
PENLLERGAER	OAK WAY	118	OAK WAY S/O 7
PENLLERGAER	PONTARDULAIS ROAD	113	PINTARDULAIS ROAD CAR PARK OF BUSY BEES
PENLLERGAER	SWANSEA ROAD	109	SWANSEA ROAD O/S ST DAVIDS CHURCH
PENLLERGAER	U/S-Y1232	108	PONTARDULAIS ROAD O/S RSPCA
PENNARD	HEATHERSLADE ROAD	720	HEATHERSLADE ROAD O/S 39
PENNARD	LINKSIDE DRIVE	724	LINKSIDE DRIVE JCT THREE CLIFFS DRIVE
PENNARD	LINKSIDE DRIVE	725	LINKSIDE DRIVE JCT NORTON DRIVE
PENNARD	PENNARD DRIVE	721	PENNARD ROAD OPP 108
PENNARD	PENNARD DRIVE	722	PENNARD DRIVE O/S 79
PENNARD	PENNARD DRIVE	723	PENNARD DRIVE O/S 78
PENNARD	PENNARD ROAD	726	PENNARD ROAD JCT LINKSIDE DRIVE (BUS STOP)
PENNARD	PENNARD ROAD	730	KITTLE LANE O/S POST OFFICE
PENNARD	U/S-Y1629	719	EAST CLIFF O/S HUNTS FARM
PENYRHEOL	BOX ROAD	73	GROVE FARM ROAD OPP 22
PENYRHEOL	CLOS GORS FAWR	76	CLOS GORS FAWR OPP 22
PENYRHEOL	PENTRE ROAD	71	PENTRE ROAD BY JCT CLOSE PENGELLI
PENYRHEOL	PLAS NEWYDD	77	PLAS NEWYDD OPP 38
PENYRHEOL	PLAS ROAD	75	PLAS ROAD JCT TYRISHA ROAD
PENYRHEOL	STATION ROAD	72	STATION ROAD OPP 26
PENYRHEOL	TYRISHA COURT	74	TYRISHA COURT JCT TYRISHA ROAD
PONTARDDULAIS	ALLT Y GRABAN ROAD	70	ALLT Y GRABAN ROAD JCT PENTRE ROAD
PONTARDDULAIS	ALLT Y GRABAN ROAD	13	ALLT Y GRABAN ROAD O/P GARDEN CENTRE
PONTARDDULAIS	ALLTIAGO ROAD	9	ALLTIAGO ROAD O/S 40
PONTARDDULAIS	CAECERRIG ROAD	1	Caecerrig Road O/S Pontardulais Comp
PONTARDDULAIS	CLOS ALLT Y GOG	11	CLOS ALLT Y GOG O/S 28
PONTARDDULAIS	GARNSWLLT ROAD	2	Garnswllt Road O/S White Springs
PONTARDDULAIS	HEOL DDWR	3	Dantwyn Road Jct Heol Ddwr
PONTARDDULAIS	HEOL Y BARNA	15	HEOL Y BARNA O/S THE CROFT
PONTARDDULAIS	HEOL Y BARNA	14	BRYNTIRION ROAD JCT HEOL Y BARNA
PONTARDDULAIS	HEOL Y BARNA	16	HEOL Y BARNA O/S A1K9 LTD
PONTARDDULAIS	HIGHLAND TERRACE	7	HIGHLAND TERRACE, OPP CEFN CRUG
PONTARDDULAIS	PANTIAGO ROAD	8	PANTIAGO ROAD JCT ALLTIAGO ROAD
PONTARDDULAIS	PLASGWYN	4	Plasgwyn o/s 20
PONTARDDULAIS	ST BRIDES CLOSE	10	ST BRIDES CLOSE JCT OAKFIELD STREET
PONTARDDULAIS	TWYNIAGO	816	OPP Y GRAIG
PONTARDDULAIS	UPPER MILL	6	UPPER MILL, O/S 125

Area	Street	Bin no	Location
PONTARDDULAIS	UPPER MILL	5	UPPER MILL, OS WILLOW COTTAGE
SKETTY	ACCESS ROAD FROM SKETTY LANE TO	676	SKETTY LANE S/O MAGGIES CENTRE
SKETTY	ANEURIN CLOSE	813	ANEURIN CLOSE OPP 5
SKETTY	ASHLEIGH ROAD	625	GLYNDERWEN CRESCENT JCT ASHLEIGH ROAD
SKETTY	BEACONSFIELD WAY	634	BEACONSFIELD WAY O/P 28
SKETTY	BIRCH TREE CLOSE	812	BIRCH TREE CLOSE O/S 25
SKETTY	BRYN DERWEN	364	BRYN DERWEN JCT CEFN HELYG
SKETTY	BRYNMEAD CLOSE	652	BRYNMEAD CLOSE OPP 43
SKETTY	CARNGLAS AVENUE	639	CARNGLAS AVENUE O/S 9
SKETTY	COEDFAN	631	WOODLAND COURT OPP 29
SKETTY	CUNNINGHAM CLOSE	628	CUNNINGHAM CLOSE JCT ADMIRALS WALK
SKETTY	DUNRAVEN ROAD	638	ST DONATS JCT DUNRAVEN ROAD
SKETTY	DYSGWYLFA	632	DYSGWYLFA ON BEND
SKETTY	FFORDD ANEURIN BEVAN	654	FFORDD ANEURIN BEVAN O/S 7
SKETTY	GLAN YR AFON GARDENS	633	GLAN YR AFON GARDENS O/S 2
SKETTY	GLYNDERWEN CLOSE	624	GLYNDERWYN CLOSE OPP 30
SKETTY	GWERN EINON ROAD	623	GWERN CASTLE JCT OCEAN VIEW CLOSE
SKETTY	HEATHER CRESCENT	630	WHITETHORN PLACE JCT HEATHER CRESCENT
SKETTY	HENDREFOILAN AVENUE	635	HENDREFOILAN AVENUE O/S 50
SKETTY	HENDREFOILAN CLOSE	636	HENDREFOILAN CLOSE JCT THE PARK
SKETTY	HENDREFOILAN DRIVE	637	SYCAMORE CLOSE JCT HENDREFOILAN DRIVE
SKETTY	HENDREFOILAN ROAD	649	HENDREFOILAN ROAD O/S 72
SKETTY	HENDREMAWR CLOSE	650	HENDREMAWR CLOSE O/S 22
SKETTY	HENDY CLOSE	626	HENDY CLOSE O/S 26
SKETTY	HOLLYBUSH DRIVE	362	HOLLYBUSH DRIVE JCT JUNIPER CLOSE
SKETTY	HOLLYBUSH DRIVE	653	JUNIPER CLOSE S/O 23
SKETTY	HUNTINGDON WAY	656	HUNTINGDON WAY S/O 41
SKETTY	KIMBERLEY ROAD	642	KIMBERLEY ROAD JCT EASTBOURNE GROVE
SKETTY	LLWYN AROSFA	648	LLWYN AROSFA O/P 19
SKETTY	LLWYN MAWR CLOSE	660	RURAL WAY JCT LLWYN MAWR CLOSE
SKETTY	LLWYN MAWR ROAD	655	FFORDD ANEURIN BEVAN AT ROUNDABOUT
SKETTY	LLWYN MAWR ROAD	651	BAYSWATER ROAD JCT LLWYN MAWR ROAD
SKETTY	LON CAE BANC	640	LON CAE BANC O/S 16
SKETTY	LON MAFON	643	LON MAFON O/O JCT LON IORGW
SKETTY	LON MAFON	644	LON MAFON O/S 60
SKETTY	LON MASARN	647	LON IORWG JCT LON MASARN
SKETTY	LON MASARN	646	LON MARSON OPP 57
SKETTY	MAES Y GOLLEN	629	MAES Y GOLLEN JCT HEATHER CRESCENT
SKETTY	MAES Y GRUFFYDD ROAD	645	LON MARSON OPP 105
SKETTY	PANT YR ODYN	363	PANT YR ODYN O/P 29
SKETTY	PASTORAL WAY	659	LLWYN MAWR CLOSE JCT PASTORAL WAY
SKETTY	PASTORAL WAY	658	PASTORAL WAY O/P 70
SKETTY	PROSPECT PLACE	641	PROSPECT PLACE O/S 5
SKETTY	RHYD YR HELYG	627	THE BRYN OPP JCT RHYD YR HELYG
SKETTY	ROGER BECK WAY	675	ROGER BECK WAY O/S 6
SKETTY	ROWAN AVENUE	657	ROWAN AVENUE JCT HUNTINGDON WAY
SKETTY	VIVIAN ROAD	664	VIVIAN ROAD OPP 129
ST. THOMAS	DAVID WILLIAMS TERRACE	716	DAVID WILLIAMS TERRACE O/S 75
ST. THOMAS	DEEPGLADE CLOSE	709	DEEPGLADE CLOSE O/S 6
ST. THOMAS	DRING STREET	712	DRING STREET JCT KILVEY TERRACE
ST. THOMAS	ELMHURST CRESCENT	711	ELMHURST CRESCENT JCT GRANVILLE ROAD
ST. THOMAS	HARBOUR VIEW	713	GWYNNE TERRACE JCT HARBOUR VIEW
ST. THOMAS	HEADLAND ROAD	710	HEADLAND ROAD OPP JCT ELMHURST CRESCENT
ST. THOMAS	JERICO ROAD	828	
ST. THOMAS	MAESTEG STREET	708	Maesteg Street
ST. THOMAS	ROBERT OWEN GARDENS	715	DAVID WILLIAMS TERRACE OPP 26
ST. THOMAS	ST ILLTYDS CRESCENT	714	ST ILLTYDS CRESCENT JCT LONGFORD CRESCENT
TOWNHILL	CADWALADR CIRCLE	697	CADWALADR CIRCLE O/S 11
TOWNHILL	DYFED AVENUE	602	CEIRIOG ROAD JCT DYFED AVENUE
TOWNHILL	DYFED AVENUE	603	TAN Y MARIAN ROAD JCT LLEWELYN CIRCLE
TOWNHILL	DYFED CLOSE	698	DYFED CLOSE S/O 7
TOWNHILL	ELPHIN CRESCENT	600	GWYNFOR ROAD JCT ELPHIN CRESCENT
TOWNHILL	ELPHIN ROAD	599	ELPHIN ROAD OPP JCT GEIRIOL ROAD
TOWNHILL	EMLYN ROAD	477	EMLYN ROAD OPP 71
TOWNHILL	EMLYN ROAD	478	EMLYN ROAD JCT TOWNHILL ROAD
TOWNHILL	GRANOGWEN ROAD	789	GRANOGWEN ROAD JCT TEGID ROAD
TOWNHILL	GRANOGWEN ROAD	605	GRANOGWEN ROAD JCT TOWNHILL ROAD
TOWNHILL	GWENT ROAD	598	GWENT ROAD JCT GEIRIOL ROAD
TOWNHILL	GWILI TERRACE	476	DEWI TERRACE JCT GWILI TERRACE
TOWNHILL	MAYHILL ROAD	616	MAYHILL ROAD O/S FAMILY CENTRE

Area	Street	Bin no	Location
TOWNHILL	MERLIN CRESCENT	601	MELIN CRESCENT JCT POWYS AVENUE
TOWNHILL	NICANDER PARADE	696	NICANDER PLACE JCT NICANDER PARADE
TOWNHILL	TOWNHILL ROAD	475	TOWNHILL ROAD JCT GORS AVENUE
TOWNHILL	TOWNHILL ROAD	604	EIGEN CRESCENT JCT TOWNHILL ROAD
TOWNHILL	WAUN WEN ROAD	479	WAUN WEN ROAD S/O 47
TOWNHILL	WAUN WEN ROAD	606	WAUN WEN ROAD
UPLANDS	ARFRYN ROAD	666	AFRYN ROAD BY LANE
UPLANDS	BRUNSWICK STREET	678	BRUNSWICK STREET JCT WESTBURY STREET
UPLANDS	BURMAN STREET	693	BURMAN STREET JCT HANOVER STREET
UPLANDS	CWMDONKIN DRIVE	685	CWMDONKIN DRIVE JCT CLEVEDON COURT
UPLANDS	EDEN AVENUE	669	EDEN AVENUE JCT WESTFA ROAD
UPLANDS	FFYNONE DRIVE	688	FFYNONE DRIVE JCT FFYNONE ROAD
UPLANDS	GLANMOR CRESCENT	670	GLANMOR CRESCENT S/O 22
UPLANDS	HAWTHORNE AVENUE	701	HAWTHORNE O/S FLATS
UPLANDS	HAZEL ROAD	703	HAZEL ROAD JCT GLANMORE PARK ROAD
UPLANDS	LON CADOG	661	LON CADOG JCT LON CYNFOR
UPLANDS	LON CWMGWYN	663	LON CWMGWYN JCT LON GWYNFRYN
UPLANDS	LON GER Y COED	665	LON COED BRAN JCT LON GER Y COED
UPLANDS	LON GWYNFRYN	662	LON GWYNFRYN O/S 29
UPLANDS	LON PEN Y COED	376	LON PEN Y COED O/S 19
UPLANDS	LONG OAKS COURT	704	LONG OAKS COURT O/S FLATS 50 TO 54
UPLANDS	MIRADOR CRESCENT	684	MIRADOR CRESCENT JCT RICHMOND MEWS
UPLANDS	NOTTS GARDENS	668	NOTTS GARDENS O/P 37
UPLANDS	OAKWOOD ROAD	674	OAKWOOD ROAD JCT PARK PLACE
UPLANDS	PENLAN CRESCENT	667	PENLAN CRESCENT O/S 55
UPLANDS	RICHMOND ROAD	687	RICHMOND ROAD O/S RICHMOND COURT
UPLANDS	RICHMOND ROAD	686	RICHMOND ROAD O/S 24
UPLANDS	ROSE HILL	689	ROSEHILL OPP JCT MONTPELLIER TERRACE
UPLANDS	ROSE HILL	690	ROSEHILL JCT PENMAEN TERRACE
UPLANDS	ST ALBANS ROAD	672	FINSBURY TERRACE JCT ST ALBANS ROAD
UPLANDS	ST ALBANS ROAD	673	ST ALBANS JCT BRYNMILL AVENUE
UPLANDS	UPLANDS TERRACE	671	UPLANDS TERRACE OPP 8
UPLANDS	VICTORIA STREET	702	VICTORIA STREET JCT HAWTHORNE AVENUE
UPPER LOUGHOR	BRYNYMOR ROAD	61	BRYNYMOR ROAD OPP 2
UPPER LOUGHOR	CORPORATION ROAD	60	BWLCH ROAD JCT BOROUGH ROAD
UPPER LOUGHOR	FFORDD KILBY	280	FFORDD KILBY JCT WILLIAM DENNIS AVENUE
UPPER LOUGHOR	HEOL CAE GLOBE	69	HEOL CAE GLOBE JCT GREENFIELD PLACE
UPPER LOUGHOR	HEOL MAES Y BRYN	59	HEOL MAES Y BRYN O/S 31
WEST CROSS	CORMORANT WAY	766	CORMORANT WAY O/P 7
WEST CROSS	DRUSLYN ROAD	754	DRUSLYN ROAD JCT WESTCROSS LANE
WEST CROSS	EASTLAND CLOSE	757	EASTLAND CLOSE JCT WESTCROSS LANE
WEST CROSS	EASTMOOR PARK CRESCENT	756	EASTMOOR PARK CRESCENT O/S 30
WEST CROSS	FULMAR CLOSE	764	FULMAR CLOSE JCT RUSHWIND CLOSE
WEST CROSS	GLEN ROAD	773	GLEN ROAD JCT WESTCROSS AVENUE
WEST CROSS	GLEN ROAD	755	GLEN ROAD JCT WESTCROSS LANE
WEST CROSS	GOLDEN CLOSE	758	GOLDEN CLOSE JCT ALDER WAY
WEST CROSS	GRANGE ROAD	771	GRANGE ROAD JCT WESTCROSS LANE
WEST CROSS	HUNTSMANS COVE	762	HUNTSMANS COVE O/S 2
WEST CROSS	LAMBOURNE DRIVE	767	
WEST CROSS	LINDEN AVENUE	770	LINDEN AVENUE JCT ELMGROVE ROAD
WEST CROSS	LLWYNDERW DRIVE	769	LLWYNDERW DRIVE O/S 31
WEST CROSS	LUNDY DRIVE	760	LUNDY DRIVE JCT GLEN ROAD
WEST CROSS	OAK TREE CLOSE	823	
WEST CROSS	PALMYRA COURT	768	PALMYRA COURT OPP 22
WEST CROSS	RAVENS WALK	765	RAVENS WALK JCT SOUTHLANDS DRIVE
WEST CROSS	REDWOOD ROAD	759	REDWOOD ROAD JCT MAYTREE AVENUE
WEST CROSS	RIVERSDALE ROAD	761	RIVERSDALE ROAD JCT GLEN ROAD
WEST CROSS	RIVERSDALE ROAD	772	RIVERSDALE ROAD JCT WESTCROSS AVENUE
WEST CROSS	RUSHWIND CLOSE	763	RUSHWIND CLOSE O/S 14





## Report of the Section 151 Officer

Council - 1 March 2018

### Medium Term Financial Planning 2019/20 to 2021/22

<b>Purpose:</b>	This Report sets out the rationale and purpose of the Medium Term Financial Plan and details the major funding assumptions for the period and proposes a strategy to maintain a balanced budget.
<b>Policy Framework:</b>	Sustainable Swansea – Fit for the Future
<b>Consultation:</b>	Legal Services, Access to Services, Cabinet Members and Corporate Management Team
<b>Recommendations:</b>	It is recommended that:-  1) The Medium term Financial Plan 2019/20 to 2021/22 be approved as the basis for future service financial planning.
<b>Report Author:</b>	Ben Smith
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	Rhian Millar

#### 1. Introduction and Background

- 1.1 Service and financial planning continues to be undertaken against a backcloth of reducing overall financial resources and increasing service pressures and demand.

The Medium Term Financial Plan (MTFP) is an overarching strategy that:

- Covers 3 future years.
- Forecasts future known additional spending requirements, likely resources and potential funding shortfalls.
- Links to the Council's adopted strategy '**Sustainable Swansea – Fit for the Future**' as a means of addressing future budget shortfalls.

- Links to the Council's revised Corporate Plan, "Delivering for Swansea" and the delivery of our top 5 priorities.
- Has due regard to our duties under the Well-being of Future Generations Act 2015.

Future detailed Service planning will need to be undertaken within the financial assessments and forecasts contained within the Medium term Financial Plan.

- 1.2 It is important to understand that the MTFP does not constitute a formal budget in respect of the period 2019/20 to 2021/22 and as such the indicative annual assumptions included both within the projected spending pressures detailed in Sections 2 and 3 of this report, and the potential funding detailed in Sections 4 and 5, will be subject to a full review and decision making process as part of each of the annual Revenue Budget and Council Tax setting decisions.
- 1.3 Instead, the MTFP is intended to outline, in broad terms, the specific service and funding issues over the three year period and how the Council will, within its financial constraints, fund its priorities and achieve major service change and savings.
- 1.4 It is essential as a planning and review tool in order to assess, on an ongoing basis, base assumptions around service pressures and progress against delivery of savings.
- 1.5 The plan serves to highlight the trend for increasingly difficult times ahead in terms of funding for this Council and Local Government in general, as well as the service pressures that the Council faces from rising demands and increases in demography, together with potential funding pressures arising from ambitious plans for capital development.
- 1.6 Importantly, it is essential that the MTFP becomes a 'living' document that is subject to regular review and revisions as more information becomes available and risks are updated. As such it is anticipated that, along with close monitoring of the specific budget proposals and savings targets for 2018/19, further reports to Cabinet or Council regarding the MTFP will be made as necessary. In particular, the Mid Term Budget Statement in the Autumn of 2018 will provide a key update on the financial outlook and delivery of savings.
- 1.7 The MTFP is one of many documents that are produced in terms of financial planning and control. These include:-
  - The annual Revenue and Capital Budgets of the Authority
  - The annual HRA Capital and Revenue Budgets
  - The formal quarterly budget monitoring reports that are presented to Cabinet
  - The Mid-term Budget Statement intended to be produced each year as an aid to strategic review on progress

- The Revenue and Capital Outturn Statements taken to Cabinet following year end
- The Statement of Accounts produced and approved by Council on an annual basis.

1.8 The MTFP is intended to form a logical flow from an assessment of forecast resources over the medium term through each step of a structured planning process for future years and as such it specifically details:-

- Section 2 Overview of financial planning environment 2019/20 to 2021/22
- Section 3 Detailed spending and resources forecast 2019/20 to 2021/22
- Section 4 Strategy to address future savings requirements
- Section 5 A summary of the Medium Term Financial Plan and Sustainable Swansea strategy.
- Section 6 Medium Term Financial planning for Schools
- Section 7 Risks and issues surrounding the MTFP
- Section 8 An assessment of reserves
- Section 9 Legal and Equalities implications

## **2 Overview of Financial Planning Environment 2019/20 to 2021/22**

2.1 The Medium Term Financial Plan (MTFP) report considered by Council on 23<sup>rd</sup> February 2017 included a service and financial overview. This was updated in terms of the Mid-Term Budget Statement verbal report given to Council in October 2017 and is updated further below.

### ***Economic outlook and prospects for Public Finances***

2.2 The announcement of both the provisional and final Revenue and Capital Settlements for 2018/19 has resulted in an overall postulated like for like cash increase of £2.3m. However, there is an increase of just £1.75m in block grant after allowing for the changes to social services capital limits for residential care. This needs to be set in the context of the forecast cost of the national living wage impact of £1.7m plus alone.

2.3 However, the current economic climate continues to be uncertain, and the Welsh Government stated in their draft budget document that this is one of the longest periods of sustained austerity in living memory. There is and will continue to be uncertainty over the UK's relationship with Europe and the impact on Wales following Brexit. It is still the case that the Welsh budget will be expected to continue to reduce in real terms over the period to 2021/22.

- 2.4 Of course, the level of Welsh Government devolved Block Grant is not the only determinant of Welsh Government support for Local Authorities. It is likely that further delegation and transfer of powers and rights from Westminster to Cardiff, including full devolution of matters relating to business rates, together with further tax changing/raising powers, may impose greater or lesser financial risks to Welsh Government than is currently the case. There is also the fact that Welsh Government has to decide on its own cross-sectoral allocation of devolved funding to public services in Wales.
- 2.5 Whilst it is a positive settlement for 2018/19, it is unlikely that such a good settlement will be forthcoming in future years and, in addition to possible reductions in core funding, the Council also has a wide range of service and demographic pressures which will inevitably impact on demand for services. Equally clearly, there is a potential for further UK Government announcements to impact on costs borne by the Council, particularly in respect of any changes to taxation. The clear example in 2018/19 is of the changes to the National Living Wage, which will add around £1.7m to the Council's annual costs.
- 2.6 As mentioned above, a further complicating factor over the period of the MTFP involves proposals to devolve tax varying powers from Westminster to the Welsh Government. Whilst this notionally impacts primarily on individual taxation, potential devolution of National Business Rates (NDR) has the potential to impact directly on Local Authority budgets and risk. Latest proposals, for example, are to devolve the cost of welfare provision in Wales to the Welsh Government with all the risk that might entail regarding cost movement.
- 2.7 In terms of core revenue funding, the final Revenue settlement issued by the Welsh Government in December 2017 gave an indicative settlement level for 2019/20, which is an improvement on previous years. However there has been no indication beyond 2019/20. This leaves Authorities having to make their own assumptions regarding levels of Aggregate External Funding during the period of the Medium Term Financial Plan, based on an assessment of UK and Wales financial planning and announcements.
- 2.8 All this of course has to be set against a backdrop of significant global instability where events can impact significantly – and at short notice – on the UK economy and the overall UK economic outlook.
- 2.9 For the purposes of the planning assumptions, it is simply not possible to forecast with any certainty the level of funding that is likely to be received from Welsh Government on an annual basis over the period of the MTFP. Instead it is intended to forecast a range of potential funding scenarios, each of which will result in differing financial forecast for the Council over the period covered. The forecasts will be updated using the mid-term budget statement to Council each year to reflect the best information available on a rolling basis.
- For the purposes of the MTFP, forecasts will be based around an assumption of a reduction of 1.0% in 2019/20 (as indicated by the Welsh Government),

and then cumulative reductions of 1%, 2% and 4% for 2020/21 and 2021/22, although of course reductions will fluctuate on an annual basis.

It is not considered likely that there will be a cash flat position over the period of the MTFP and even less likely that there will be any form of increase.

Year	AEF Reduction @ 1% £'000	AEF Reduction @ 2% £'000	AEF Reduction @ 4% £'000
2019/20*	3,191	3,191	3,191
2020/21	3,159	6,318	12,636
2021/22	3,127	6,192	12,130
<b>Cumulative</b>	<b>9,477</b>	<b>15,701</b>	<b>27,957</b>

\* 2019/20 is a reduction of 1.0% across all scenarios as that has been indicated by the Welsh Government.

Note that the above reductions are based on the final AEF for 2018/19 of £319.087m as announced in December 2017.

The above represents a significant spread in terms of potential overall reductions over the life of the MTFP, which as stated previously will have to be updated on a regular basis.

- 2.10 During the timescale of the MTFP there are a significant number of events which could impact on some of the major assumptions we have made. These include:-
- Any voluntary or joint arrangements, including increased regionalisation, in lieu of compulsory Local Government reorganisation in Wales
  - Wider events that could impact on the Global economic position including Eurozone elections.
  - The final exit package agreed by the UK Government in respect of "Brexit"

### **Support for Capital Programmes**

The final settlement indicated support for future General Fund Capital programme at a level of £10.292m for 2018/19, a very slight increase from 2017/18. This support is through a mix of General Capital Grant and support for borrowing.

Planning assumptions for 2019/20, 2020/21 and 2021/22 are based on unchanged levels of support, which is in line with the indicative headline figure issued by the Welsh Government.

As reported elsewhere on this agenda in the Capital Budget & Programme 2017/18- 2023/24 Report, there is an ambitious capital investment programme which provides support for the newly approved Band B of the 21<sup>st</sup> Century Schools Programme and major capital schemes flowing from the Swansea Bay City Deal including the Digital Village £30m, Swansea Arena and Swansea Central City Centre Development £121m

The Swansea Bay City Region Deal shall attract substantial grant and loan funding support, which has yet to be formally approved and the capital programme 2017/18 – 2023/24 shall also require significant unsupported borrowing to be undertaken to enable completion.

- 2.11 The total estimated cost of the Band B schools programme envelope is £141.6m (excluding the potential aided sector project which is assumed to require no Council contribution). Of this total, £91m is from traditional capital funding, requiring (after allowance for realisable capital and other receipts) a net local funding requirement of £38.2m. The remaining £51m is proposed to be delivered through revenue funding (Mutual Investment Model), which would require no local capital funding contribution but incur an annual charge once the accommodation and facilities are completed. An equivalent local share of the capital cost would be £12.6m although the 25% local contribution would apply to the annual revenue charge.
- 2.12 The capital financing strategy underpinning the capital budget seeks to maximise grants, supported borrowing, contributions and capital receipts in order to minimise the need to borrow funds. The borrowing requirement identified to support the capital programme is significant and shall require substantial revenue support to service. The revenue implications of the borrowing are reported in the Revenue Budget elsewhere on this agenda. The revenue implications are considered affordable and sustainable over the cycle of the programme.
- 2.13 As indicated above, the position remains that should such capital receipts not materialise the Council will have no option but to consider reductions in spend, seek alternative sources of funding or, as a last resort, consider additional borrowing which shall place a further burden on revenue finances.
- 2.14 In the recent past, the Council has sought to minimise its external borrowing by the use of internal funds, which is entirely consistent with good Treasury Management policy given historic low interest rates on investments and avoiding the 'cost of carry'. Sustained internalisation of borrowing requirement and the significant funding required for the capital programme 2018/19 onwards and the depletion of Reserves and Provisions (including significant sums relating to equal pay settlements) means that externalisation of this debt has become inevitable. It is clear that the Council has an opportunity to progress this at a time when external borrowing rates are at an all-time low and this strategy of externalising debt will continue to be undertaken in 2018/19 and beyond as opportunities arise.

- 2.15 It should be noted however, that even with borrowing rates as low as they are, externalising of borrowing is still likely to have a potentially negative impact on revenue finances going forward.
- 2.16 It remains the case that each year the Council sets aside a significant amount of money (c £14.1m 2016/17) called the Minimum Revenue Provision (MRP) towards the repayment of debt. This provision is in line with the Council's existing MRP Policy. The MRP Policy shall be reviewed in 2018/19. This effective repayment will have to be taken into account when evaluating overall borrowing levels and the ability to service any additional borrowing requirement.
- 2.17 The additional capital investment identified above will attract significant grant funding (especially 21st Century Schools and Swansea City Region Deal), however the programme will still require a material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.
- 2.18 Notwithstanding this scale of ambition, each major scheme will, as is always the case, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate, and unsupported borrowing will be undertaken on a phased basis within the overall envelope for affordability which is considered over the medium to long term to be up to £200m.

### **3 Detailed Spending and Resources Forecast 2019/20 to 2021/22**

- 3.1 The Capital Budget report forecasts capital spending and resources in the period covered by the MTFP.
- 3.2 In terms of the Revenue Budget, and in the context of financial planning over the period of the MTFP, the overriding issue is likely to be the need to make significant ongoing savings in Service Expenditure in order to meet both projected reductions in core and specific funding from the Welsh Government together with known and anticipated spending pressures.
- 3.3 The following table represents the expected funding requirements (based on current policies and decisions) for the period of the MTFP:

## Projected spending pressures/funding deficiency 2019/20 – 2021/22

	Note	2019/20	2020/21	2021/22
		£'000	£'000	£'000
Future cost of pay awards	1			
- Non Teachers		3,600	7,200	10,800
- Teachers		2,400	4,800	7,200
National Living Wage – own pay bill	2	1,700	1,700	1,700
National Living Wage – contracts		1,000	2,000	3,000
Increase in Pension Costs	3	1,700	3,400	3,400
Increased Teachers Pension costs	4	1,100	1,100	1,100
Cumulative contract inflation	5	1,000	2,000	3,000
Capital charges – existing	6	1,750	3,500	3,500
Capital charges - new scheme aspirations	7	1,500	3,000	5,000
Use of General Reserves	8	1,000	1,000	1,000
Use of Insurance Reserve	9	0	700	700
Demographic and Service pressures	10	3,000	6,000	9,000
Mid and West Wales Fire authority Levy	11	500	1,100	1,600
Council Tax Support Scheme	12	600	1,300	2,000
<b>Total known pressures</b>		<b>20,850</b>	<b>38,800</b>	<b>53,000</b>
Aggregate External Finance reduction	13	3,200	9,500	15,700
<b>Total Savings Requirement</b>		<b>24,050</b>	<b>48,300</b>	<b>68,700</b>

Note:

1. *The pay award figures represent an average forecast increase of 2.0% for the period of the MTFP for non-teachers and teachers.*
2. *Assumed increases due to implementation of National Living Wage - will affect contract prices and lower end of own pay scale - national spinal point currently being reviewed.*
3. *The Year 2 and 3 costs arising from the triennial revaluation of the local government pension scheme effective from 1st April 2017. The provisional assumption is an effective stepped 1% increase each year to overall costs.*
4. *The Teachers' Pension Scheme (TPS) increases in 2019/20 due to a reduction in the discount rate from 3% to 2.8% per HMT - TPS rises from 16.48% to just over 18%.*
5. *Reflects the assumed minimum cumulative effect of contract inflation.*
6. *The additional estimated borrowing costs as a result of the current Capital programme together with potential increases arising from externalisation of borrowing due to cashflow requirements.*
7. *The initial additional estimated borrowing costs for the delivery of the major aspirational capital programme.*
8. *The need to remove the budgeted take from general reserves underpinning the 2018/19 budget.*



9. *The 2017/18 budget report agreed an annual take from the insurance reserve for three years, this has now been further extended for two more years, after which this money can no longer be assumed available and alternative funding will need to be identified.*
10. *Assumed Demographic and Service pressures mainly around Schools and Adult and Children's Services.*
11. *Estimated Fire Authority Levy increase.*
12. *Reflects the assumed cost of Council Tax Support Scheme costs based on Council Tax increases as a planning assumption only at this stage as set out previously in the medium term financial plan.*
13. *Reflects results of the provisional local government finance settlement for 2019/20 (-1.0%) and assumes a reduction of 2% for future years.*

3.4 As stated, this forecast contains no provision for increases in net service costs, in particular:-

- a) Any increase in costs arising from decisions on Government taxation – most significantly increases arising from upward increases in landfill tax costs.
- b) Corporate costs in excess of budget provision in respect of issues relating to higher than assumed employee costs (higher than 2% pay awards), or bigger movements in minimum statutory wage.
- c) Any one off costs arising from changes to service delivery across the Council, including transformational change.
- d) Any general inflation provision relating to non-contractual issues.
- e) Any increased costs or reductions in income arising from ongoing changes to welfare reform, in particular the introduction of Universal Credit during the lifetime of the MTFP.
- f) Any budget changes arising from further regionalisation of any services particularly where projected budget transfers may be in excess of current CCS service budgets.
- g) Any increases in Capital financing charges beyond those allowed for which is dependent on the Council achieving a level of capital receipts as detailed within the Capital budget submitted for approval elsewhere on this agenda and is wholly dependent on decisions around potential externalising of internal borrowing.
- h) Future funding decisions in respect of protection for Social Services or Delegated Schools' budgets which may be specified by the Welsh Government in future budget settlements.
- i) Any potential downward movement in service specific grants, some of which we have experienced at short notice in the past.

3.5 In addition the forecast does not allow for any potential increase in non-schools' employer superannuation rates for 2020/21 which will be based on a triennial valuation as at 31<sup>st</sup> March 2020. There is also likely to be a further impact on non-funded schemes including the Teachers' Pension Scheme at a future date.

3.6 Local Government Reform, much discussed over the past two years, remains very much in the offing although precise, alternative future

proposals remain awaited. There will be further regional working required, which will become more systematic and mandatory. No account of any additional costs or savings resulting from any further regional working has been included in the forecast.

#### **4 Strategy to Address Future Savings Requirements: Sustainable Swansea – Fit for the Future**

- 4.1 The scale of the financial, demographic and sustainability challenge requires the Council to adopt a radically different approach to previous years. An approach that focuses on:
- *The core future purpose of the Council*
  - *The transformation of services and the model of delivery*
  - *Greater collaboration with other councils and local organisations, community groups and residents*
  - *And, above all, sustainable solutions with prevention at its heart.*

This ambition is set out in *Sustainable Swansea – fit for the future*, our long term plan for change, underpinned by our Innovation Programme.

- 4.2 It is equally clear that if the Council wishes to prioritise investment in priority services then the actions being taken under the Sustainable Swansea programme represent good practice irrespective of future savings requirements.
- 4.3 The Strategy was agreed by Cabinet and reported to Council in October 2013. The Delivery Programme was approved by Cabinet on 16<sup>th</sup> July 2015. It remains the Council's overarching approach to budget and medium term financial planning, to help deliver the well-being of future generations, and it is important that we continue to use the narrative in all our communication and that we apply the budget principles across all our thinking. The budget principles are reflected in the proposals set out in this report.
- 4.4 Since the July 2015 meeting of Cabinet we have:
- Continued to work on the delivery of the Savings Programme
  - Commenced and delivered the first two phases of Service commissioning Reviews
  - Identified our next phase of cross cutting reviews.

#### **Our Service Priorities for 2018/19 and the MTFP period**

- 4.5 Although the Council is currently focused on a plan to save an additional £60m plus over the period of the MTFP, it is vital that we continue to retain Member and management focus on the significant proportion of our budget that will remain. Our gross budget is just under £700m (excluding Housing Services (HRA)) and we spend around £1.6m a day on services to residents.
- 4.6 The Council has clear and strong long term ambitions for Swansea and the proposals for savings must be seen in the context of the following:

- The Council's top 5 priorities and future plans for services (a revised Corporate Plan was agreed on 24th August 2017) to help deliver the well-being of future generations
  - The core objectives of Sustainable Swansea – which embrace all that we do
  - The application of the budget principles – which guide our decision making
  - The ongoing and sustained reduction in external funding and the need to meet known budget pressures.
- 4.7 The Council's overall aim is to protect frontline delivery of services as far as possible. However, whilst many things are important, not everything can be a priority. It is important, therefore - particularly in the current climate of significantly reduced resources - to set out clearly our expectations on all services and relative priorities for funding in the context of the significant reductions that we face.
- 4.8 This requirement is illustrated sharply by the “gearing” effect of savings on services. In other words, if our current savings requirement (excluding schools) over three years was applied, for example, just to the Director of Resources (excluding Council Tax Reduction Scheme) and Place Services, the budgets for these areas would have to be almost cut in their entirety. Consequently, other areas such as Education and Social Care also need to face some relative real terms level of reduction over the next 3 years, given the relative size of their budgets.
- 4.9 A statement of budget priorities and policy statements that flow from this is set out in **Appendix A**. This statement follows an assessment of services in relation to the following criteria:
- **Invest:** those Services where the Council will increase current levels of investment
  - **Maintain:** those services where the Council will broadly maintain current level of spend in the medium term
  - **Reduce:** those services where the Council will reduce the current level of spend over the medium term.
- Regardless of relative funding levels, there is also an absolute requirement that **all services** must transform and strive for maximum efficiency.
- 4.10 Based on the statement of priorities and having regard to the “gearing effect” when considering savings, the indicative 3 year saving/investment targets for each major block of services (including 2018/19), as reported to Cabinet on 14<sup>th</sup> December 2017, is set out in the table below. This table is important at this stage only as it gives an indication of prioritisation of services, as currently adopted by Council, although it is clear that there are many combinations around Service expenditure reduction that would potentially achieve the same saving.

Service	Current Budget £m	Percentage Reduction/Increase over 3 Years	Amount Realised £m
Schools \$	143.6	+1.5%	+2.2
Rest of Education	21.1	-15%	-3.2
Social Care – Child & Families	35.4	-15%	-5.3
Social Care- Adults	68.4	-20%	-13.7
Poverty & Prevention*	6.1*	+5%	+0.3
Place	50.8	-50%	-25.4
Resources +	22.1	-50%	-11.0
<b>Total</b>	<b>347.5m</b>		<b>-56.1m</b>

*\$ Assumes **local** schools protection continues limiting any material scope for reduction in cash terms.*

*\* Note that whilst this is the controllable budget for Poverty & Prevention, the Council spends **significantly more** on this area through the contribution of a wide range of other services.*

*+ Resources is £43m less £21m Council Tax Reduction Scheme.*

- 4.11 This statement will form the basis of our future Medium Term Financial Plan, as well as individual service plans although no formal assumptions should be made around annual budget changes based on this MTFP.
- 4.12 It should be noted that the savings targets detailed above are for the period 2019/20 to 2021/22 and will need to be extended to 2022/23 as planning assumptions for that year become more predictable.
- 4.13 A statement of General Principles to be adopted for all Services together with a summary of specific service priorities is given at Appendix A to this report.

#### **Potential Funding 2019/20 to 2021/22**

- 4.14 The Revenue Budget report detailed elsewhere on this agenda identifies possible savings for the 2018/19 financial year. Some of these proposals will generate further savings in future years and so will contribute to the future years' savings requirement.
- 4.15 In addition there are a number of service specific savings proposals that are being considered – it should be noted that these have not yet gone out to consultation, but will do so at the appropriate time.

4.16 These are detailed in Appendix C, but are shown in summary below:

	<b>19/20 £'000</b>	<b>20/21 £'000</b>	<b>21/22 £'000</b>
<b>Future Year Impact of current proposals:</b>			
Resources	839	3,050	3,412
Poverty & Prevention	70	202	316
Education	253	396	488
Social Services	1,291	1,791	1,791
Place	1,195	2,000	2,805
Cross Cutting	59	59	59
Invest to Save - Social Services	2,405	4,860	5,350
	<b>6,112</b>	<b>12,358</b>	<b>14,221</b>
<b>Future Proposals to be Considered:</b>			
Resources	241	1,161	1,161
Poverty & Prevention	151	245	245
Education	193	805	2,055
Social Services	0	0	0
Place	1,601	2,193	2,743
Cross Cutting	750	750	750
	<b>2,936</b>	<b>5,154</b>	<b>6,954</b>
<b>Total Service Specific Savings</b>	<b>9,048</b>	<b>17,512</b>	<b>21,175</b>

4.17 In addition to savings proposals, Council Tax levels must be considered as part of the MTFP. Budgeted gross council tax yield for Swansea for 2017/18 is £108,096,086, which we have rounded to £108 million. This remains the gross yield on Council Tax and it must be borne in mind that any Council Tax increases results in a corresponding increase in the local cost of the Council Tax Support Scheme, (which has been taken account of in the spending pressures above). No assumption about growth in the Council Tax base has been made, to remain prudent and err on the side of caution.

4.18 Policy decisions on the level of Council Tax will of course remain a matter for full Council to determine on an annual basis and it is always relatively challenging to set out a published range of Council Tax options years in advance, so what follows can only be an indicative assumption to give a plausible range of planning scenarios, to aid the overall understanding of the financial plan.

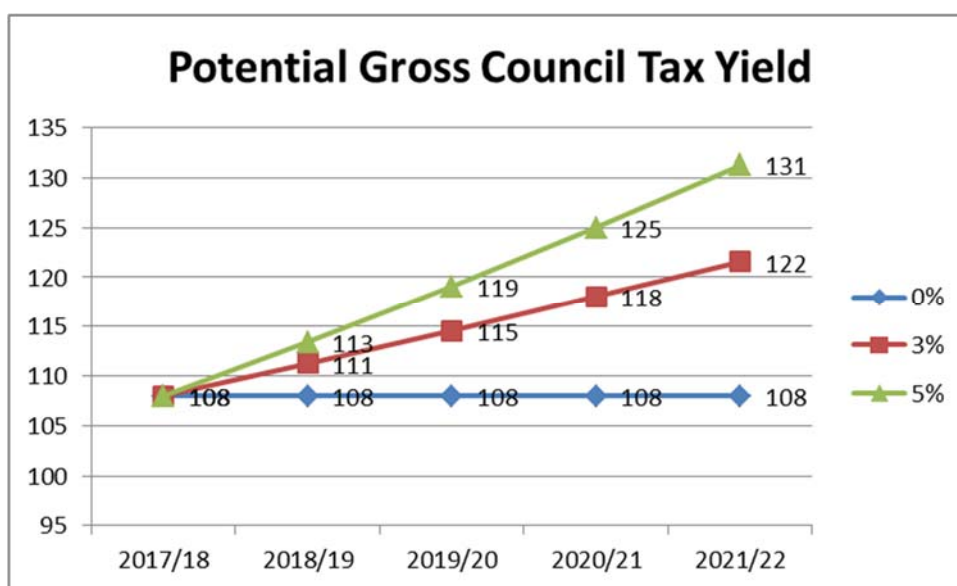
The following stylised planning assumptions are made:

- As in the past, there is no formal published upper limit to annual Council Tax increases but Welsh Government reserve powers and hints of action taken against what could be deemed to be excessive rises, place an effective top end cap at 5% per annum. This is assumed

to be the absolute high end of any potential increases for scenario planning;

- Given the sheer scale of spending reductions needed to set a future balanced budget it is considered equally implausible (albeit theoretically not impossible) that Council Tax levels will be cut. This provides a lower limit of 0% per annum;
- To provide a middle ground option, the stylised assumption is 3%.

The chart below demonstrates the different levels of Council Tax that could be expected under the different scenarios:



## 5 Summary of the Medium Term Financial Plan and Sustainable Swansea Strategy

5.1 The summary anticipated savings requirement over the period of the Medium Term Financial Plan is shown below and is extracted from the table shown at paragraph 3.3 of this report.

	<u>2019/20</u> <u>£'000</u>	<u>2020/21</u> <u>£'000</u>	<u>2021/22</u> <u>£'000</u>
<b>Cumulative budget shortfall</b>	<b>24,050</b>	<b>48,300</b>	<b>68,700</b>

5.2 The assumptions surrounding the compilation of these figures are given in detail within the table at paragraph 3.3 above and, in particular, are heavily dependent on the assumption of an ongoing reduction in AEF for each of the three years covered by the MTFP.

Clearly there is the risk of significant volatility in future years arising from:

- The cumulative effect of any variation in these assumptions in early years

- The uncertainty around assumptions surrounding the latter years of the forecast.

5.3 Notwithstanding that position, in addressing the ongoing budget deficit, the Council has a number of actions that it can take in terms of achieving a balanced budget. These include:

- Realisation of future years' budget savings arising out of previously agreed savings and 2018/19 consultation proposals
- Additional Directorate/Service Area targeted savings as detailed in paragraph 4.16 of this report
- Potential rises in Council Tax levels, as estimated in paragraph 4.18 above.

5.4 Bringing these items together, and assuming a balanced position for 2018/19, the following indicative position is envisaged:

	<u>2019/20</u> <u>£'000</u>	<u>2020/21</u> <u>£'000</u>	<u>2021/22</u> <u>£'000</u>
<b><i>Cumulative budget shortfall</i></b>	<b>24,050</b>	<b>48,300</b>	<b>68,700</b>
<b><i>Future year impact of current service savings proposals</i></b>	<b>-6,112</b>	<b>-12,358</b>	<b>-14,221</b>
<b><i>Future year proposals to be considered</i></b>	<b>-2,936</b>	<b>-5,154</b>	<b>-6,954</b>
<b><i>Potential Council Tax increase at 3%</i></b>	<b>-4,000</b>	<b>-7,000</b>	<b>-11,000</b>
<b><i>Remaining Cumulative budget shortfall</i></b>	<b>11,002</b>	<b>23,788</b>	<b>36,525</b>

5.5 In terms of addressing the remaining cumulative budget shortfall, there are further options available to the Council that at the moment are not firm enough to be able to include in the table above, but nevertheless are being worked through and considered for future inclusion.

- 5.6 These options include reviewing services and funding provided to schools, potentially higher than 3% increases to Council Tax, some further invest to save schemes and further review of services. These have the potential to realise further funding of circa £25-30million meaning there is a remaining shortfall to be delivered of circa £5-10million over 3 years.

This remaining gap would be potentially bridged if:

- Future MRP savings were realised (estimate £3-4m) following MRP review
- Contingency fund ceased (£3.5m)

- 5.7 The Council will, as previously agreed, deliver the bulk of this through the Sustainable Swansea programme. Details of the Programme, including progress to date, are shown at Appendix B to this report.

## **6 Medium Term Financial Planning for Schools**

- 6.1 The purpose of this section is to highlight the estimated effect of specific spending pressures and potential specific grant reductions on Schools' budgets in the light of funding assumptions detailed elsewhere in this report.
- 6.2 More specifically the Detailed Budget report to Council in respect of the 2018/19 Revenue Budget outlines the specific budget proposals for that year.
- 6.3 It is important to note that, given the size of the potential budget deficit facing the Council over the period of the MTFP, it is envisaged that Schools will continue to be required to make some contribution to savings targets during this period. However, the Council will continue to prioritise education funding and spending pressures and take into account the extent to which these can be met on annual resources available and competing spending needs.
- 6.4 The table shown in paragraph 4.10 of this report details the proposed indicative Directorate Savings targets for the period 2019/20 to 2021/22 in respect of the Revenue Budget. Those projected savings targets offer relative priority to Education and Schools budgets in particular.
- 6.5 It would be prudent to assume, however, that despite the notional 'flat' position for schools highlighted in paragraph 4.10 of this report, reductions in real term budgets of around 2% p.a. will be required to meet the Council's budget needs going forward.
- 6.6 It is essential therefore that we continue to engage with Schools on a strategic review of provision as simply cutting in real terms by 2% p.a. will not work.

## **7 Risks and Issues Implicit within the MTFP**

- 7.1 As stated throughout this report the financial risks facing the Council include:



- The volatility of settlements received from the Welsh Government from indicative planning stage to provisional settlement and the absence of any future year guidance on levels of likely settlement.
- Assumptions around the reductions in core funding from the Welsh Government being incorrect, particularly if understated.
- Ongoing reductions in specific grants which require equivalent reductions in expenditure, often at short notice, which are both uncertain and unpredictable in terms of timing.
- Delay or non-delivery of key savings strands which are essential to meet the projected service reductions identified in this report.
- Significant further changes to Central Government fiscal policy with regard to the Public Sector.
- The introduction of new legislation and statutory requirements which impose additional burdens on the Council.
- The ongoing practical impact of legislation such as the Wellbeing of Future Generations (Wales) Act 2015.

7.2 The table at paragraph 3.3 of this report outlining the potential budget shortfalls over the period of the MTFP contains a significant number of assumptions around future cost pressures, particularly with respect to pay awards, which may have a significant cumulative effect if not settled at the levels indicated. This has the potential to change significantly the projected deficit towards the end of the planning period.

7.3 The assumptions contained within the plan specifically assume:

- The Council will deliver a balanced revenue outturn in respect of the current and future financial years and, to that extent, no deficits are identified that would require additional funding in future years.
- The Capital programme is constrained to the extent that the maximum additional debt charges that are incurred (which should be considered temporary until capital receipts are achieved) do not exceed the sums included in the MTFP. In particular that any additional borrowing requirements in respect of aspirational capital development will be met from additional income generation from such schemes or a combination of funding from the public and private sector that evidences financial neutrality and sustainability.
- The Council continues to achieve its ambitious savings targets.

7.4 It is assumed that there will be substantive change to the structure of service delivery, including additional regionalisation of services. It is however far too early to financially quantify and describe those changes so they are explicitly excluded at present.

## **8 Use of Reserves**

8.1 The purpose of this section is to highlight the current planned use of General Reserves to support the 2018/19 Revenue Budget and to outline the relationships between known risks and earmarked reserves and its effect on planning assumptions. An analysis of the current position is given in paragraphs 8.3 to 8.8 below.

- 8.2 Conclusions and recommendations in respect of reserves usage is given in paragraph 8.9 below.
- 8.3 The current 2017/18 Revenue Budget was set with no planned use of General Reserves.
- 8.4 In terms of planning assumptions there is no assumption of ongoing use of or availability of General Reserves beyond the one off emergency use for 2018/19 in relation to education specific grants reducing or ceasing.
- 8.5 Whilst the Council maintains a number of specific reserves they are not factored into planning assumptions because they are either ring-fenced under statute or scheme of delegation (e.g. Schools' delegated reserves), or they are earmarked to meet known liabilities.
- 8.6 In October 2017 Council received and approved a report which re-allocated earmarked reserves based on known changes to the risk profile of the Council and it is anticipated that a similar report, probably for inclusion in the mid-year budget statement, will be taken on an annual basis.
- 8.7 Allowing this consideration outside of the annual budget process and after previous year outturn is known will give elected Members better opportunity to reflect on the level of General and earmarked reserves in line with the guidance detailed in paragraph 8.10 below.
- 8.8 In addition various sections highlighted throughout this report refer to significant ongoing risk around current activities – particularly single status and outstanding equal pay claims.
- 8.9 It remains the position that until these significant risks are fully mitigated then any additional planned use of earmarked reserves to support general revenue budget deficits would be inappropriate.
- 8.10 On 12<sup>th</sup> January 2016 the Welsh Government issued guidance to Local Authority Members on matters to be taken into consideration when scrutinising the level of Local Authority Reserves held at any point in time. This has been circulated to all Members and any recommendation relating to the holding or release of reserves will be undertaken with reference to the principles underpinning best practice as issued by the Chartered Institute of Public Finance and Accountancy and this guidance.

## **9 Legal and Equalities Implications**

### **Legal Implications**

- 9.1 There are no legal implications arising from this report.

## **Equalities Implications**

- 9.2 The budget reductions implicit in the 2017/18 approved budget were subject to the corporate and appropriate Equality Impact Assessment process, which was considered as part of the overall budget process.
- 9.3 Where additional budget savings requirements are identified as part of the 2018/19 and MTFP budget processes they will again be subject to the equality impact assessment process (including relevant consultation and engagement) as part of the budget considerations for those financial years.

**Background Papers:** None

### **Appendices:**

Appendix A Statement of Budget Principles and Service Budget Priorities

Appendix B Sustainable Swansea – Fit for the Future – Transformation Programme

Appendix C Savings Proposals

**Statement of Budget Principles and Service Budget priorities**

**GENERAL PRINCIPLES FOR ALL SERVICES**

1. There are a number of principles that apply to all the Council’s services, regardless of the assessment of relative priorities. These are set out below.

**Budget Principles**

2. The Council has adopted a number of Budget Principles which underpin *Sustainable Swansea*:

<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>
<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>
<i>Full cost recovery</i>	<i>Personal Responsibility</i>

All Services must apply and be consistent with these Budget Principles.

All Services are also required to address these Principles as part of business planning and developing savings proposals.

**Service Transformation and Efficiency**

3. There are expectations upon all Services in relation to transformation and efficiency which must be met regardless of relative priority for funding:

<b>Transformation</b>	<p>All service must transform through a fundamental review of purpose, however services are commissioned, to:</p> <ul style="list-style-type: none"> <li>• deliver better outcomes</li> <li>• develop a sustainable delivery model, fit for the future</li> <li>• reduce costs and secure value for money</li> </ul>
<b>Efficiency</b>	<p>All services must continue to strive for efficiency, in particular:</p> <ul style="list-style-type: none"> <li>• reduce management and other overheads</li> <li>• maximise opportunities for increasing income from charges, trading and external sources</li> </ul>

	<ul style="list-style-type: none"> <li>• reduce the cost of purchasing supplies and services</li> <li>• work with others to achieve better outcomes</li> <li>• look for opportunities for residents or community groups to take or share responsibility for services</li> </ul>
--	---

## STATEMENT OF BUDGET PRIORITIES: PEOPLE'S SERVICES

### 4. Schools and Education

Education is working towards a "one education budget" strategy across delegated and non-delegated budgets. Whilst recognising the relative priority given to Education (and Social Services), significant savings cannot be made without reductions in the Schools Delegated Budget over the coming years.

Moreover, further significant cuts in the remaining non delegated education budgets will have a direct impact on areas of pupil specific support and further reduce the support that can be provided to schools from the department.

At the same time, greater focus is being given to the regional delivery of services, with increasing numbers of services being delivered via regional arrangements in the coming years. At present it is not clear what the full financial impact of such changes will be, though Swansea will continue to be robust in its presentations to the regional consortia and Welsh Government about our needs.

A further move towards a fundamentally different relationship between schools and the local authority is required. The future model for Education provision includes:

- Radically changing the way support for pupils is provided – more flexible earlier intervention and support, as local as possible
- A consistent approach to support the needs of all pupils through a continuum of support
- Integrating and aligning services with Social Services and other agencies such as Health
- Working more closely with communities, recognising the role of schools at the heart of their communities, seeking to minimise transport costs and, wherever feasible, co-locate other services on school sites to aid sustainability (where revenue and capital funding streams are at least sufficient to cover the costs involved).

We will deliver this through:

- Coherent revenue and capital strategies
- Optimising the level of delegation of funding and responsibilities to schools to allow the greatest flexibility in the use of the available resources
- Supporting earlier intervention and support for pupils:
  - Reducing the need for formal statements

- Providing increasingly targeted specialist support, reflecting the findings of the recent independent behaviour review
- Building capacity in mainstream educational provision
- Empowering & facilitating more collaborative school to school support
- Ensuring delivery of Out of County places for specialist provision are commissioned jointly with other services to seek to maximise economies of scale.
- Delivery of significant financial savings through a continuing coherent 'one education budget' strategy:
  - Retaining an absolute core level of statutory and regulatory provision at the centre
  - Ensuring a full cost recovery of costs of any support provided to schools above this level and providing the minimum level of Council funding required to fully access the remaining available specific grants
  - Ceasing financial contributions to support the few remaining areas of discretionary educational provision.

## **5. Social Services- Child & Families**

No significant policy changes are proposed in Child and Family Services.

We will maintain the current Safe LAC Reduction Strategy to reduce the number of looked after children and achieve the planned savings and service improvements.

There will be an increasing expectation of evidencing impact of early intervention and prevention services being more closely aligned to support families and children earlier, to lessen the need for greater intervention later.

## **6. Social Services – Adult Social Care**

Cabinet have agreed a new Adult Services Model, which supports the service changes that will be needed to deliver improvements in experience and performance, and also to deliver the significant savings required in the medium term.

This model outlines how we will focus on the following objectives:

- Better prevention
- Better early help
- A new approach to assessment
- Improved cost effectiveness
- Working together better
- Keeping people safe.

Underpinning these principles is the need to build trusting relationships with those that we work with, improve communication and work co-productively to design and deliver services and interventions.

Further, we will be finalising and then implementing the outcomes of the Commissioning Reviews for: Day Care Services, Residential Care Services

and Domiciliary Care Services and devising the Learning Disability, Physical Disability and Mental Health Commissioning Strategies. These are the Council's regular process for consistently reviewing service provision and comparing with other services to ensure value for money and improvements in service delivery.

## 7. **Poverty & Prevention**

We have agreed a comprehensive Tackling Poverty Strategy, which was extensively reviewed in 2017 to ensure it is meeting its aims. The overarching themes are:

- Empowering local people through involvement and participation
- Changing cultures to reflect that tackling poverty is everyone's business
- Targeting resources to maximise access to opportunity and prosperity.

We will be adopting the following principles to this work:

- A whole Public Services Board and whole Council approach.
- Building resilience, social capital and social networks.
- Involvement and participation of service users.
- Implementing 'what works' in future delivery.

We have also revised our Prevention Strategy, which has been consulted upon in 2017 and outlines our approach in this important area. Our vision is to '**....secure better outcomes and better manage demand through preventative approaches**'.

The principles we will adopt as Swansea's optimum model for preventative activity are:

- A whole Public Services Board and whole Council approach;
- Making every conversation count;
- Holistic universal and early intervention services;
- A culture where all services are acting at every point to de-escalate need and build on strengths;
- Adopting strength based approaches using the strengths of individuals, families and communities;
- Supporting independence at all stages, with different levels of interventions offered;
- Building resilience, social capital and social networks;
- Delivery partners have confidence in the approach;
- Making evidence based investment decisions of what reduces demand;
- Learning about 'what works' is fundamental to future delivery.

## 8. **STATEMENT OF BUDGET PRIORITIES: PLACE SERVICES**

The Place-based services will continue to face significant challenges to meet its overall 50% reduction in budgets although recognition has been given to the fact that these services have faced significant recent cuts and directly impact on the environment and communities the Council serves, so it is more about working smarter and leaner. The main areas affected are as follows:

- Introductions of the actions arising out of the commissioning reviews across all areas
- Conclude the procurement process for the cultural and leisure services allowing Cabinet to make a decision about the long term delivery of these services
- Delivery of the key cross cutting reviews for services in the community and integrated transport
- Maximise commercial opportunities and income generation for services and assets
- Seek opportunities for community involvement in the delivery of services including parks
- Invest where necessary to maintain vital services including replacement waste fleet and key service areas
- Continue to prioritise key corporate priorities including the regeneration of the City Centre and delivery of the city deal.
- Work within the affordability of the housing revenue account to deliver more council homes and the welsh housing quality standard for our council tenants.

## **9. STATEMENT OF BUDGET PRIORITIES: RESOURCES**

The Director of Resources will see a 50% reduction over the next 3 years, around £11m.

To deliver such a challenge our policy must be to:

- Change the current model of delivery to increase self-service for residents and businesses as well as within the Council for staff and Councillors
- Manage demand for central support services by ensuring the workforce has the right skills for the future, particularly managers
- Focus only on the critical functions of the corporate centre such as governance, financial control, core HR advice and commercial capability and stop doing other things
- Look for opportunities for shared service and collaboration models with other organisations and partners, in order to maintain support services as efficiently as possible
- Radically change our approach to customer contact and engagement, to shift to digital channels and reduce costs
- Consolidate and reduce the cost of all common support functions across the Council, such as financial processes, ICT, business support
- Maintain overall investment in ICT, on a business case basis, to support the transformation agenda, including on-line self-service, agile and mobile working and direct service innovation such as telecare.



## **SUSTAINABLE SWANSEA – FIT FOR THE FUTURE**

### **Transformation Programme 2018-19**

#### **The Sustainable Swansea – Fit for the Future Programme**

The Sustainable Swansea Programme is the Council's transformation plan across the whole organisation. Planning started back in 2014 with implementation running from 2015 through to 2022. The programme is the Council's proactive response to pressures, mostly in the external environment, to ensure Swansea communities have the right support and remain sustainable in the long term in the context of reducing budgets and rising demand for public services.

A large part of the Sustainable Swansea programme involves a change process called 'Commissioning Reviews'. This is a 22 week process involving in-depth analysis, stakeholder involvement / feedback, benchmarking, and an options appraisal. It is the intention for every service to go through a Commissioning Review in the life of the programme. The Council developed a toolkit to support services through the process.

Importantly, since 2015:

- **17 service area commissioning reviews** have been undertaken (15 completed) and most of these areas are now implementing decisions from their options appraisals.
- The Council has **achieved £60m of savings** through a range of measures and projects including Commissioning Reviews.

The table below highlights some of the main areas of delivery through Sustainable Swansea to date. The expected benefits, outcomes and impact of these projects were defined up front however, it takes time for these to be fully realised. Where benefits are already emerging these are also listed:

<p><b>Commissioning Review Process and Modernisation of Services</b></p>	<ul style="list-style-type: none"> <li>▪ <b>17 Commissioning Reviews delivered (11 are now implementing their three year plans)</b></li> <li>▪ <b>Staff are expanding digital ways of working and developing online services</b>, making it easier for residents and customers to get what they need and encouraging a shift from high to lower cost transactions.</li> <li>▪ 31 request forms including automated payments</li> <li>▪ Online payments of over £108,741 reducing back office finance functions</li> <li>▪ BACs and Card payments increased</li> <li>▪ 26% of bulk waste requests are now online reducing processing time within the contact centre</li> <li>▪ Hanging Basket ordering system online has increased sales to wider customer base with £13.6k taken in online sales (parks and cleansing)</li> <li>▪ <b>The Agile working Strategy has enabled new ways of working and the subsequent release of satellite offices</b>, delivering in excess of £1m per annum revenue savings and £3m in capital receipts. The Council is now reviewing new ways to utilise space in public buildings, to reduce silo working, improve collaboration and agile working, as well as saving money and generating income. Plans to release 2-3,000 square metres of office space within the Civic Centre could improve the way the Council works and generate potential income</li> <li>▪ <b>Flexible working is reducing staff travel</b>. Through the introduction of new technologies, staff can now work remotely including from home. As a result business travel mileage has dramatically reduced.</li> </ul>
<p><b>Service Commissioning Review Implementations</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Residential and Outdoor Centres</b> – The sale of Dan y Coed has completed. Historically only an Education Service, the new business manager has: enhanced the list of services for income generation, retained the historical service for schools, is developing a new online presence including online booking, has introduced deposit systems and re-profiled roles and structures to fit the future service model. A feasibility and bid has been submitted to develop the next phase of the model to maximise income.</li> <li>▪ <b>Waste Management</b> – Three recycling centres have been developed including challenge stations for residual waste to complement the ‘no black bag’ policy. The impact has been to raise awareness of recycling whilst also delivering a dramatic reduction in tonnage collected (approx 10,000 tons to 2,000 tons). The Service was recognised nationally for this innovation, winning the iESE Award, LPG Awards and was shortlisted for a number of APSE awards. The new pink bag initiative is rolling out and recycle rates are on target for 64% in 2020, the Council is currently performing at 63.7%</li> </ul>

- **Business Support** – This project delivered many changes across three phases including:
  - Implementation of the Service Centre and Transactions Team which incorporates the employee services helpdesk.
  - Rollout of end to end process changes with regard to purchasing and paying suppliers for goods and services, moving this all online.
  - Significant improvements in self-service support for officers and managers online.
  - The services which are available to the public through the Contact Centre have been increased to include Street Lighting, Parks & Leisure, Parking Services, and Cashiers.
  - Online forms have improved both the speed and efficiency for the public and increased business intelligence capability within the Council.
  - Strategic support for the Member-led approach and cross-party Policy development has implemented
  - A consistent approach to Business Support across the Council is progressing with the development of Business Support ‘mini hubs’ within the People and Place Directorates. This will enable corporate consistency whilst being tailored to Service needs.
- **Cleaning** – Phase 1 and Phase 2 of site assessments have been completed resulting in: a reduction in hours for some cleaning staff, new output specifications being introduced at sites, performance and monitoring quarterly, and new team working helping with the management of workforce. Income generation opportunities are now being explored alongside electronic timesheets.
- **Corporate Building & Property Services** – Re-profiling and structures have been implemented, the Service now delivers the kitchen and bathroom programme in-house. This has resulted in the recruitment of 40+ trades personnel some having a multi-skilled discipline and not a specified trade ensuring the workforce has sustainable skills. 14 new apprentices have joined the service. The new homes build project has also been completed. The service is currently adopting mobile working.
- **Family Support** – Launch of the Domestic Abuse Hub was implemented in July 17.
- **Adult Services** – The Social Services delivery model was agreed in Nov 17 and will feed into the new Services in the Community cross-cutting work. Transformation of domiciliary care and residential care are part of the wider Adult Services Improvement Plan.
- **Public Protection** – Programme of process mapping and analysis across public protection started in Nov 17 and will be completed by January 18.
- **City Regeneration and Planning** – Recommendations from the commissioning review are being implemented including implementation plans for a new model and mobility hire services.

	<ul style="list-style-type: none"> <li>▪ <b>Catering</b> – A Business Development Officer analysing internal catering for income generation opportunities. Reconfiguration of the canteen facilities to be planned for early 2018</li> <li>▪ <b>Cultural Services</b> – In-house transformation completed as planned, this included full staff restructuring across operations and establishments</li> <li>▪ <b>Paid Access to services</b> – Tendering for Leisure/Outdoor/Theatres and Brangwyn Leisure progressing as per the implementation plan.</li> <li>▪ <b>Culture Strategy and Outreach</b> – Transformation underway as planned in areas such as parks letting schemes, creation of development teams, and commission of water safety charges review with the RNLI</li> <li>▪ <b>Highways and Transportation</b> – Initial Integrated Unit works have been completed in 17/18, bringing together transport teams from across the Council. Further planning to be undertaken. The review is scheduled to be presented to Cabinet in January 18</li> </ul>
<b>Future Council</b>	<ul style="list-style-type: none"> <li>▪ <b>The Organisational Development Strategy</b> has been developed and proposes a phased implementation over four years to ensure the Council’s workforce has the skills for the future. The work is underpinned by the principles of the 21<sup>st</sup> century public servant and 21<sup>st</sup> century Councillor developing people’s skills and behaviours alongside the Council’s culture.</li> <li>▪ <b>Workforce modernisation</b> has focused on absence management this year in order to address sickness levels and increase productivity. The Council’s performance is improving and recently entered the top quartile across all Local Authorities in Wales however, further time is needed to see the true impact of this project. Further workforce modernisation projects are underway such as reviewing zero hour contracts.</li> <li>▪ <b>A Corporate co-production, communication, consultation and engagement strategy</b> is in development. The new approach to co-production will be piloted with the Services in the Community cross-cutting project to ensure residents, businesses and other important stakeholders can be involved in shaping future community services</li> <li>▪ <b>A Commercial Strategy and plan</b> is underway. A significant number of commercial projects have already been delivered within Services alongside a more commercial approach to procurement and contract management. This work is being fast tracked and increased to deliver budget proposals over the next four years.</li> </ul>
<b>How</b>	<ul style="list-style-type: none"> <li>▪ Feedback indicated <b>the Commissioning Reviews had a positive impact on the workforce</b> encouraging staff to ‘think differently’ about how and why the Council delivers its services</li> </ul>

<p><b>Sustainable Swansea has impacted the Council's culture</b></p>	<ul style="list-style-type: none"> <li>▪ <b>The Commissioning Review process has in itself led to a significant culture change</b>, with staff owning the process and being integral to the development of the solutions. The reviews have involved stakeholders at all levels including trade unions, Councillors, Scrutiny, and internal and external stakeholders. This has broken down silo working and led to significant financial and other benefits such as improved outcomes for residents and customers</li> <li>▪ <b>Demand Management – Delivered a Demand Management Strategy and Toolkit</b> for staff, developing the skills of staff to help them identify and understand Service demand and resolutions. Techniques such as Systems Thinking have been used to gather important demand data for the Domestic Abuse Hub pilot, other areas that will be explored in the new cross cutting themes will be in Housing and the Food Safety team.</li> <li>▪ In addition the co-production approach within social services has seen a change in how service users engage with the Council. This approach of service user involvement will develop with the corporate co-production approach.</li> </ul>
--	---

The programme is reviewed and adapted annually as result of:

- Projects completing as planned
- Changes in the environment including new legislation
- New pressures or challenges, requiring an innovative approach
- Annual budget setting to ensure that transformation priorities and resources are aligned to savings targets.

The Sustainable Swansea model below has been updated and adapted to align with this MTFP. The three segments: Transformation, Digital and Future Council are the **priorities for the year** so that resources can be targeted to deliver both change and financial targets. Around these priorities are the **principles of the programme**: These act as the 'lens' through which staff can continuously review working practices and plan for change.

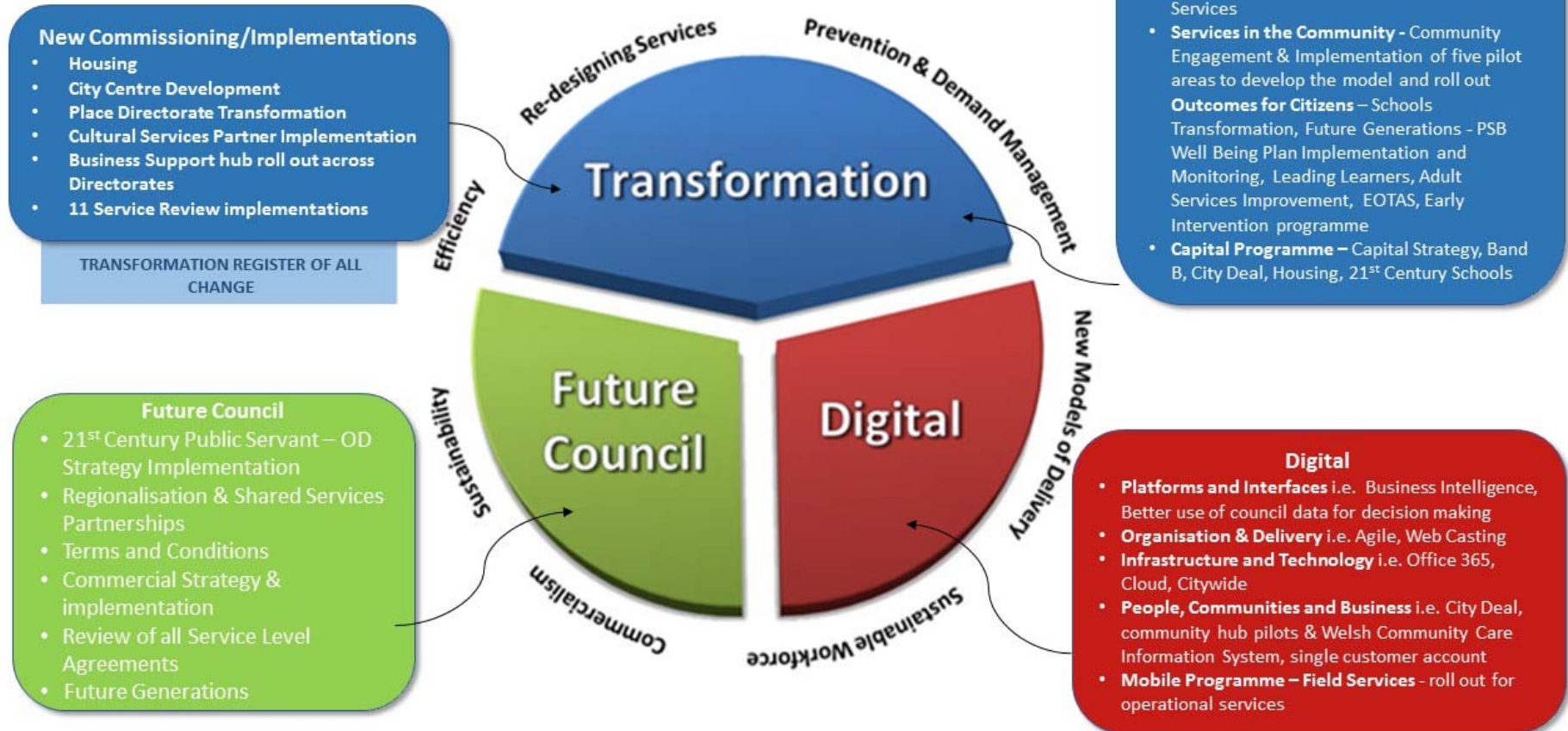
The three priority areas have been changed in the following ways:

- **Transformation:** Last year's report highlighted the shift from individual Service Commissioning Reviews to a cross-Council approach, bringing Services together around common themes. The four themes have been developed alongside key stakeholders. In addition the programme will complete the remaining commissioning reviews and support their implementations as well

Directorate specific changes. The Council also has a Transformation Register which tracks and monitors all changes across the organisation and ensures a Team Swansea approach.

- **Digital:** This is the continued implementation of the Digital strategy with particular focus on implementing mobile and field working for operational services and installing public accessible Wi-Fi to Council buildings which is part of the commitment to help residents and service users get online and increasing digital inclusion. Also supporting the infrastructure developments around City Deal and regeneration of the City Centre, further roll out of agile working for staff with new technology, and implementation of the all-Wales Community Care Information System for Social Services and Health.
- **Future Council:** Organisational development is a key priority over the next year to ensure the workforce has the right skills for the future and that staff, managers, and Councillors have a supportive development environment. The commercial strategy implementation is also a key priority in ensuring the Council has a sustainable model into the longer term. All this work is being undertaken in the context of growing regionalisation.

# Sustainable Swansea – Fit for the Future



**APPENDIX C**

		19/20	20/21	21/22	
DIRECTOR	HEAD OF SERVICE	£'000	£'000	£'000	Saving Proposal
<b>Future Impact of 2018/19 Savings Proposals</b>					
Resources	Various	829	1,027	1,379	Management Review including all tiers, regional working and shared services, more digital working and 'mini business hubs' within other directorates
Resources	Various	0	2,003	2,003	Service Reviews and demand management across all areas of the Directorate
Resources	Various	10	20	30	Review and full cost recharge of Welsh Translation Service to users
People	Adult Services	500	1,000	1,000	Management savings across all levels within Adult Services
People	Adult Services	11	11	11	Review of Community Alarm Service (separate consultation)
People	Adult Services	170	170	170	Implement preferred options as outcome of Commissioning Review leading to reduction of in-house beds
People	Adult Services	110	110	110	Review of Day Services eligibility (separate consultation)
People	Adult Services	500	500	500	Implement preferred options as outcome of Commissioning Review
People	Education	40	40	40	Catering and cleaning services - further review of actual costs to achieve full cost recovery
People	Education	103	149	229	School Meal prices: further increases (5p / £2.30: Sept 18; 10p / £2.40: Sept 19; and 10p / £2.50: Sept 21)
People	Education	50	100	100	Robust management of demands on remaining severe and complex needs budgets
People	Education	6	12	18	Further reductions in regional improvements service ring-fence consistent with funding settlements
People	Education	6	12	18	Further assumed reductions in Education Improvement Grant matching funding requirements
People	Education	18	18	18	Ethnic minority achievement service - full recovery of eligible costs from external grant
People	Education	30	65	65	Further review of management posts in light of changing demands and capacity issues
People	Poverty & Prevention	0	10	10	Reduce satellite youth clubs provision (Gendros, Montana, Morriston, St Thomas, Friendship House)
People	Poverty & Prevention	0	42	81	Reduction in investment in Early Years
People	Poverty & Prevention	50	110	145	Maximise grant funding and income opportunities
People	Poverty & Prevention	20	40	80	Alignment of Early Intervention and Family Learning provision
Place	Corporate Building	125	125	125	Staffing and transport savings due to more efficient mobile working
Place	Corporate Building	50	100	150	Reduced maintenance on a number of building assets assuming a number will have been rationalised (sold, transferred to community running)
Place	Highways and Transportation	250	250	250	More efficient and effective transportation across all Council activities
Place	Highways and Transportation	15	15	15	Swansea Marina increased income opportunities outside of actual mooring fees
Place	Highways and Transportation	5	10	15	Increases in licensing charges
Place	Various	750	1,500	2,250	Increased fee earning activity, assuming full cost recovery
Cross cutting	Cross Cutting	59	59	59	Reimburse only half of all staff professional fees
People	Adult Services	500	1,000	1,000	Review all Mental Health and Learning Disability packages of care, to ensure that they are fit for purpose and those eligible for health funding receive it. (separate consultation)



		19/20	20/21	21/22	
DIRECTOR	HEAD OF SERVICE	£'000	£'000	£'000	Saving Proposal
People	Adult Services	505	1,010	1,300	Review all packages of care to ensure fit for purpose and effectively manage new admissions to residential and domiciliary care. (separate consultation)
People	Adult Services	500	1,000	1,000	Targeted increase in recourse to direct payments as alternative to non-complex domiciliary care packages and complex care packages for Mental Health & Learning Disabilities (separate consultation)
People	Adult Services	500	1,000	1,000	Charging Policy and Annual Fee Increases
People	Child & Family Services	0	0	200	Savings arising from the Safe LAC Reduction Strategy
People	Child & Family Services	400	850	850	Demand management ensuring Child & Family work only with those children with eligible needs requiring a Social Work intervention.
		<b>6,112</b>	<b>12,358</b>	<b>14,221</b>	<b>Total of Future Impact of 2018/19 Savings Proposals</b>
<b>New Proposals from 2019/20</b>					
Resources	Various	25	25	25	Give notice and withdraw from corporate subscription (EU & LGA)
Resources	Various	40	60	60	Increased income opportunities including Mansion House and new advertising
Resources	Various	176	176	176	Management Review including all tiers, regional working and shared services, more digital working and 'mini business hubs' within other directorates
Resources	Various	0	900	900	Review insurance reserve, attitude towards risk and excesses
Cross cutting	Cross Cutting	750	750	750	Review of staff terms and conditions
People	Education	36	36	36	Give notice and withdraw from WJEC contribution
People	Education	97	129	129	Review of Music Service to enable break-even position
People	Education	0	500	1,500	Whole of Transport Review
People	Education	40	80	80	Further streamlining of SEN panel / review processes
People	Education	0	0	250	Review of Out of County placements / delivery model
People	Education	20	60	60	SIMS / MIS Joint Working and broadband / licence costs through enhanced scale discounts with NPT
People	Poverty & Prevention	119	204	204	Adult and community learning - planned recovery of full costs with review of WG ACL grant allocation and additional income initiatives
People	Poverty & Prevention	32	41	41	EIS Reduction in investment in Disability
Place	Corporate Property	650	850	1,350	More efficient use of Corporate properties to make full use of rental opportunities and community involvement
Place	Culture and Tourism	471	563	563	Savings arising from the completion of Cultural Commissioning Reviews
Place	Highways and Transportation	20	20	20	Expansion of Camera Car Operation
Place	Highways and Transportation	30	280	280	Management Review of CTU including becoming a commercial operation
Place	Highways and Transportation	280	280	280	Savings on School Transport arising from availability of new safe Walking Routes to School
Place	Various	0	50	100	Regionalisation savings (assuming future regional model for mandated services)
Place	Waste Management and Parks	150	150	150	Transfer of Botanical Gardens
		<b>2,936</b>	<b>5,154</b>	<b>6,954</b>	<b>Total of New Proposals from 2019/20</b>
		<b>9,048</b>	<b>17,512</b>	<b>21,175</b>	<b>Total of all Proposed Savings</b>



## Report of the Section 151 Officer

Council – 1 March 2018

### Revenue Budget 2018/19

<b>Purpose:</b>	This report proposes a Revenue Budget and Council Tax Levy for 2018/19.
<b>Policy framework:</b>	Sustainable Swansea – Fit for the Future
<b>Consultation:</b>	Cabinet Members, Legal, Access to Services & Corporate Management Team
<b>Recommendations:</b>	Council is asked to approve: 1) A Revenue Budget for 2018/19 as detailed in Appendix A. 2) A Budget Requirement and Council Tax levy for 2018/19 as detailed in Section 9 of this report.
<b>Report Author:</b>	Ben Smith
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	Rhian Millar

## 1. Introduction and background

1.1 This report details:

- Financial monitoring 2017/18
- The Local Government Finance Settlement 2018/19
- Budget Forecast 2018/19
- Specific Savings Proposals
- Outcome of Budget Consultation
- Staffing Implications
- Reserves and Contingency Fund requirements
- The Budget Requirement and Council Tax 2018/19

- Summary of funding proposals
  - Risks and uncertainties
- 1.2 The financial assessment in relation to 2019/20 – 2021/22 is contained in the ***Medium Term Financial Plan 2019/20 – 2021/22*** elsewhere on this agenda.
- 1.3 This report builds upon and needs to be read in conjunction with -
- The budget strategy agreed by Council on 22<sup>nd</sup> October 2013 – ***‘Sustainable Swansea: Fit for the Future’*** focusing on the principles and strategies to be adopted as part of the current and future budget process.
  - The report to Cabinet on 29<sup>th</sup> July 2014 – ***‘Sustainable Swansea: Fit for the Future: Delivery Programme’*** which agreed the specific objectives of the programme and set out an outline programme for delivery.
  - The update report on Sustainable Swansea – Fit for the Future as approved by Cabinet on 16<sup>th</sup> July 2015.
  - The report to Cabinet on 14<sup>th</sup> December 2017 – ***Sustainable Swansea – Fit for the Future: Budget Proposals 2018/19 – 2021/22*** setting out the Council’s proposals for budget consultation.
- 1.4 The report sets out the outcome of the budget consultation. Cabinet has considered the comments received from residents, community groups, partners, employees, School Budget Forum, Joint Phase Head Teachers, Trade Unions and others. The report also includes an Equality Impact Assessment statement so that the Council can be aware of the key issues before finalising budget proposals.

## **2. Financial Monitoring 2017/18**

- 2.1 Cabinet considered a report on the estimated Revenue Outturn for 2017/18 at its meeting of 8<sup>th</sup> February 2018. It was projected that the Council will outturn at a position that reflects a slightly improved position from the £7.3m forecast overspend at quarter 2.
- 2.2 That report for the 3<sup>rd</sup> quarter financial monitoring highlights a slightly improving picture for the Council overall but, as is the case in quarter 2, there is substantial variation in performance across Directorates.
- 2.3 There are significant variances on savings built into the base budget for 2017/18; if these savings are not achieved there will continue to be an impact in 2018/19 and beyond.
- 2.4 The initial scale of potential overspends for 2017/18 remains significantly in excess of any potential sums available to offset that shortfall. The current indication is that there still needs to be urgent and decisive action to pursue additional savings across the Council, as even if not now achievable during 2017/18, they need to be ready for 1<sup>st</sup> April 2018.
- 2.5 Current estimates are that the overspend is likely to be around £6m (approximately 1.6% of original budget) as an upper figure, predominantly

because of overspending in adult social services, resources and one off pay related costs from the enhanced early retirement/voluntary redundancy scheme.

- 2.6 Due to use of earmarked reserves, designed to assist with the one off costs of the early retirement/voluntary redundancy scheme it is expected that there will need to be a final take from the General Reserve of approximately £3.4m in order to finance this residual overspend.

### 3. The Local Government Finance Settlement 2018/19

- 3.1 The Cabinet Secretary for Finance announced the final Revenue and Capital Settlement for 2018/19 on 20<sup>th</sup> December 2017.

- 3.2 The final Revenue Settlement for 2018/19 provided an additional £2.588m compared to the provisional settlement issued in October 2017, and included in the budget proposals report to Cabinet in December 2017. This is mainly due to the fact that the Welsh Government provided an extra £20m for Councils in 2018/19, an extra £7m for the increase to the capital limit for charging for Residential Care and an extra £1.3m for targeted relief for supporting local businesses. For Swansea there is £0.558m specifically identified for the residential care capital limits, general support for local businesses is estimated at £0.120m, leaving approximately £1.9m as a general increase. Changes are as follows:

	<u>£'000</u>
Forecast decrease in Welsh Government support 2018/19 per Cabinet report 14 <sup>th</sup> December 2017	-277
Increase to the residential care capital limits	+558
Increase for support for local businesses (estimated)	+120
Increase due to updated data and assumed relative changes in tax base	+349
Increase resulting from extra All Wales £20m allocation from Welsh Government (estimated)	+1,561

- 3.3 The result is an overall improvement on forecast Aggregate External Finance of some £2.588m. However, there are likely further reductions in several specific grant totals, some of which are already clearly emerging (e.g. Education Improvement Grant, waste element of the Single Environment Grant) which will significantly affect actual grant received by the Council in due course. The overall outcome on all specific grants will not be known for some time and as such the overall funding picture may not reflect the improvement evident on the settlement alone.
- 3.4 Implicit in the settlement is assumed partial protection in respect of Social Services. The local value of that protection is not particularly specified in terms of value but it is anticipated that funding in terms of known service pressures identified in Section 4 of this report will satisfy any ministerial funding expectation.

- 3.5 In respect of Schools, there is no longer an ongoing formal ministerial protection or funding guarantee so any decision over schools funding is a local one to be made by Cabinet and ultimately by Council, having any due regard to any budget consultation responses received.
- 3.6 In revising the Medium Term Financial Plan and setting the Budget for 2018/19, it is essential that the Council adheres to and continues to implement the objectives in *Sustainable Swansea – fit for the future*. The Council has made clear through *Sustainable Swansea* that the need to transform services, reduce or divert demand through prevention and to look for alternative models of delivery, including community action, is required for our future sustainability and to improve outcomes for residents.
- 3.7 **The financial pressures and level of risk that we face and will continue to face make the need to implement these changes ever more urgent. The increase in AEF should be seen as an opportunity to increase investment in the Council's priorities and preventative action in particular, not to slow down the pace of change or the level of required savings.**

#### **4. Budget Forecast 2018/19**

##### ***Overview***

- 4.1 The budget proposals for 2018/19 as submitted for consultation on 14<sup>th</sup> December 2017 resulted in a projected funding deficit of £22.177m. The funding deficit was made up of projected funding pressures of £27.976m partly offset by a provisional increase on Welsh Government Aggregate External Finance (AEF) of £6.076m in respect of transfers into the settlement, plus a slight reduction in the overall level of AEF of £0.277m.
- 4.2 The announcement of the final settlement, together with a slightly improved view on the financial position with regards to 2017/18 outturn, means that the overall funding deficit forecast for 2018/19 will inevitably have changed.
- 4.3 In addition, the opportunity has arisen to review all aspects of the budget pressures and risks so far identified with a view to updating the forecast using the latest up to date assumptions, in particular around the pay offer made by the National Employers Council, which was announced in December 2017.
- 4.4 The options for funding the deficit that is identified remain as:
- Savings on current service net expenditure (through a combination of expenditure reduction and additional income generation)
  - Increases in Council Tax levels (including opportunity to reconsider the 3% planning assumption)
  - Potential further reductions in the Contingency Fund
  - Use of Reserves and Balances (not advised).

**Forecast funding shortfall 2018/19**

- 4.5 The revised shortfall in funding previously identified in paragraph 4.1 above can now be updated and summarised in Table 1(a) below:-

**Table 1(a) – Projected pressures 2018/19**

	<b>2018/19 £'000</b>
Future cost of pay awards	
- Non Teachers – average of 2.5%	4,500
- Teachers	2,400
Pay and grading scheme	2,700
<i>Costs imposed without funding by UK Government:</i>	
- National Living Wage – own pay bill	700
- National Living Wage – contracts	1,000
Increase in Pension Costs	1,700
Cumulative contract inflation	1,000
Capital charges – existing	1,500
Use of General Reserves (not advised)	0
Demographic and Service pressures	3,000
Proposed targeted investment in services (EOTAS)	300
Mid and West Wales Fire authority Levy	356
Council Tax Support Scheme	1,000
Passported through AEF to services – grants	6,073
Passported through AEF to services – new responsibilities	1,299
Foster allowances - full year effect	700
Adult Services pre-existing baseline pressures from 2017-18	3,500
Service Pressures Accepted	4,114
Loss of specific grant – Ethnic Minority Achievement Unit	870
New Service Pressures in respect of specific grant reductions	130
<b>Total known pressures</b>	<b>36,842</b>
Aggregate External Finance increase CASH	-2,313
Rebase of External Finance (grants as above)	-6,073
<b>Total Savings Requirement</b>	<b>28,456</b>

- 4.6 The reasons for the increase in the overall savings target since Cabinet in December are detailed in Table 1(b) below:

**Table 1b – Movement in projected pressures**

	<b>2018/19 £'000</b>
<b>Target per Cabinet Report 14<sup>th</sup> December 2017</b>	<b>22,177</b>
Change in Aggregate External Finance from the Welsh Government between provisional and final settlement	-2,588
Increase to forecast local government pay award	2,700
Increase in respect of residential care capital limits (new responsibility)	558
Increase in respect of Homelessness (new responsibility)	741
Projected increase in Levies (Fire and Port Health)	56
Reduction in increase required for Council Tax Support Scheme (updated assessment)	-300
Inclusion of Service Pressures in table 1(a)	4,244
Loss of specific grant – Ethnic Minority (Education)	870
Other minor consequential estimate refinements	-2
<b>Cumulative revised target</b>	<b>28,456</b>

***Inflation***

- 4.7 The 2017/18 revenue Budget provided a corporate provision of £1m for inflation, which was specifically to cover the cost of the Apprenticeship Levy.

Given current UK inflationary levels and forecasts to come through the year there is a strong case for increasing the corporate (General) provision for inflation in 2018/19. Mainly to cover the increase of costs associated with contracts, £1m will be provided in the corporate provision.

It is the case, however, that the Council is likely to experience significant cost pressures in specific areas as detailed in Table 2 below and these have already been provided for as follows.

**Table 2 – Potential Service inflationary and cost pressures:**

	<b>£'000</b>
Increased contract costs due to rises in inflation	1,000
Increased contract costs due to rise in National Minimum Wage levels (already in services)	1,000
Increased costs due to rise in National Minimum Wage levels (own pay bill) (already in services)	700

In the November 2015 Autumn Statement, the Chancellor first announced significant increases in the National Minimum wage to be introduced over the next three financial years. Whilst the actual increases will vary year to year there will be continued pressures. This will affect direct employee costs

incurred by this Council during 2018/19, and it is highly probable that this will impact directly on wage costs of external contractors particularly in respect of contracted services within Social Services.

Irrespective of increases in minimum wage, there is likely to be pressure from contracted areas in both Social Services and Transport Services for elements of cost increases. These will need to be funded from the corporate inflation provision on a case by case basis as the need arises.

The cap on public sector pay awards has loosened somewhat this year, with increases approved for firefighters and teachers that are higher than the previous 1% cap. Indeed, the initial offer made by the National Employers on behalf of the main local government pay sector is worth (on average) around 2.5%. This increase for 2018/19 has now been fully built into, and adds to, revenue budget pressures.

The Apprenticeship Levy is still held centrally on the general provision for inflation line as it is currently a cost that is in effect a corporate tax. This makes the total provision for inflation £2m, although half of this has to be considered already fully committed for that levy.

As in previous years, and as detailed below, it is assumed that any provision for increases in School pay budgets will be met directly from Schools' delegated budgets.

### ***Schools Prioritisation***

- 4.8 It remains the case that the forward financial plans for the Council will continue to show year on year savings requirements which are likely to be significant and sustained. Given the scale of savings required, it is inevitable that it will be impossible to exempt schools' budgets fully from longer term real terms cuts.
- 4.9 Reductions can be viewed in two ways:
- Cash reductions in levels of funding provided to Schools
  - Real terms reduction in Schools funding, taking into account known spending needs.
- 4.10 For 2018/19 there is no longer any Ministerial funding commitment to schools. Although the Cabinet Secretary for Finance has notionally prioritised funding for the school element of the settlement, the fact is that there is no additional cash for this. However it is intended to provide funding for various service pressures as a local priority for Council.

The net result of these proposals is an increase in the underlying base budget cash settlement to Schools of some £2.2m (1.5%) for 2018/19, which is a much better position than the 0.6% increase in this Council's funding from Welsh Government.



This year the headline figure across Wales in respect of Pupil Deprivation Grant remains the same as for 2017/18, if allocated across authorities on the same basis then this will mean no change to Swansea Schools.

Education Improvement Grant is forecast to decrease by 11.4% across Wales, which could have a more significant impact on Swansea Schools and wider education provision (a possible reduction of £1.1m)

- 4.11 Table 3 below sets out the effective impact of the core funding increase against expected funding pressures for Schools.

**Table 3 – Impact on Schools delegated budgets**

Item	£'000
<b><i>Cash position</i></b>	
<b>Net core delegated base budget 2017/18</b>	<b>143,608</b>
Increase for Pay Award - all staff (2%)	2,600
Increased Pension costs re non-teaching school based staff	300
Increased demographics pressures	1,000
Non-funding of cost increases	-2,698
Recognition of pressures faced by schools	1,000
<b>Core delegated base budget 2018/19</b>	<b>145,810</b>
	+1.5%

i.e. The above cash increase assumes that Schools will help meet the additional costs of teachers pay awards and pension increases for 2018/19.

The base increase in core delegated budget would therefore be 1.5%.

In recognition of not being able to fund all pressures, and the challenging position thus still facing schools, in line with the proposals set out in the 14<sup>th</sup> December Cabinet report, schools are additionally able to specifically access up to £1.3m, in 2018-19, from the contingency fund and restructure reserve. Total schools additional new support for 2018-19 will therefore be £3.5m, albeit £1.3m of that is on a one off basis.

Further delegated funding increases for Specialist Teaching Facilities and Additional Learning Needs one-to-one for 2018/19, and other specific grant changes, means that the total amount available to school governing bodies and head teachers to decide to spend locally and flexibly has significantly

increased further from the 2017/18 original budget. The total gross school cost centre budgets set out in Appendix H have increased by more than £3.9m for 2018/19 or 2.7% in respect of changes within the control of this authority.

It remains the case, however, that substantial elements of Schools Funding (c£17m) are now being delivered via specific Grant (Pupil Deprivation Grant and Education Improvement Grant (now including Foundation Phase grant)) which results in a substantial annual risk to overall School's funding which is not in the control of this Council.

As a result of the advised Welsh Government allocation of the Post 16 Education Grant for 2018/19, a reduction of nearly 10% for this authority, schools funding will now have to absorb a reduction of £501k, meaning overall the schools gross increase is proposed at £3.405m, an increase of 2.4%.

### ***Social Care protection***

- 4.12 Similarly to Schools, the Welsh Government overall Revenue Settlement for 2018/19 included a notional prioritisation of funding for social care. In reality there is no significant additional funding specifically for social care as the overall settlement whilst increased, does not even begin to address inflationary pressures, let alone service specific pressures.

Overall the cash budget proposed for social services increases by around 2.5% or £2.7m, including money allocated for the increase in capital limits for social care.

### ***Capital Financing Charges***

- 4.13 There is a base line increase of a net £1,500,000 compared to the 2017/18 approved budget reflecting both additional unsupported borrowing and the potential requirement to externalise elements of that borrowing during 2018/19 dependent on expected movements in borrowing rates.

As at 1<sup>st</sup> April 2015, and to date, a significant element of the Capital Financing requirement has been met by the allocation of internal funds (internal borrowing). This is highly dependent on cash-flows of the Council and it is anticipated that, during 2018/19, as has happened in 2017/18, there may be a further need to externally borrow to replace elements of current internal borrowing.

Whether or not that need arises, I am mindful that we continue to enjoy historically low rates of interest on borrowing, and that a decision may be required to externalise further elements of current internal borrowing should there be a predicted and marked increase in forecast rates in order to best serve the Council's interests in the medium to long term.

Furthermore the authority has a potential range of ambitious and challenging investment plans and opportunities in the shape of 21<sup>st</sup> Century Schools Band B programme, the City Region Deal, City Centre redevelopment, and new

housing plans, which are set out in the report on Capital elsewhere on this agenda.

Whilst this has no immediate impact on 2018-19, there is a longer term requirement to anticipate additional capital financing costs peaking at around £14m per annum extra (in 2025/26).

### ***Fire Authority Levy***

- 4.14 Since the 15<sup>th</sup> February 2018 report to Cabinet it has been confirmed that the increase in the Fire Authority Levy will be £0.356m (2.9%). The final figure reflects an overall average 2.7% increase in the levy and some redistribution of shares of the levy between contributing authorities (£0.024m).

### ***Pay & Grading Settlement***

- 4.15 A single pay and grading structure was introduced across the Authority with effect from 1<sup>st</sup> April 2014.

The introduction of this scheme is a positive achievement and in future years will add certainty to pay estimates. The Council has made considerable progress in terms of completing the Appeals process arising out of implementation and in making payments of back pay to those who gained under the new scheme and/or were successful in the appeals process.

The current budget proposals do not set aside any additional sum in respect of pay and grading based on the substantially complete progress that the Council has made to settle all outstanding liabilities.

In line with previous reports, the budget proposals for 2018/19 allow for £2.7m of increased employee costs for 2018/19 in relation to incremental increases for those staff who were originally assimilated to the bottom of their pay scale on implementation of the pay and grading scheme. This will be the final year of increases for incremental progression to be funded corporately.

### ***Council Tax Reduction Scheme***

- 4.16 The Authority received a baseline adjustment to its Revenue Support Grant of £18.883m for 2014/15 which has been notionally included as part of all future settlements. The effect of this is that any future increases in Council tax levels would have to be discounted by any potential increases in Council Tax Support costs. Where appropriate the yield will also have to take account of any increase in Council Tax Support Costs arising from increases in the Council Tax applied by the South Wales Police Commissioner.

The effects of funding additional Council tax support have been taken into account when calculating the funding in respect of the overall budget shortfall highlighted in table 1(a) in paragraph 4.5 of this report in the sum of £1.0m.

## 5. Specific Savings Proposals: Update

- 5.1 In determining its budget proposals, the Authority has embarked on a specific long-term strategy – ‘Sustainable Swansea: Fit for the Future’ - as a means of setting Council priorities, transforming services and addressing current and future deficits.

Details of that strategy, including the budget principles that the Authority has adopted together with a description of the key elements that underpin the service savings proposals, was presented and approved by Council on 22 October 2013 and subsequently reviewed by Cabinet on 16<sup>th</sup> July 2015.

- 5.2 The strategy as adopted underpinned the decision taken at the Council’s Cabinet on 14<sup>th</sup> December 2017 to recommend specific savings proposals totalling £17.002m in 2018/19 for consultation. Cabinet on 15<sup>th</sup> February has now considered what changes to make to these proposals in light of the outcome of the consultation, and these are set out in section 6.15.
- 5.3 The overall savings proposals, totalling some £17.002m as summarised below include specific service savings, cross cutting items, invest to save items and a reduction in the contingency budget. These are detailed in Appendix D.

**Table 4 – Summary of Savings proposals (as at 14<sup>th</sup> December 2017)**

<b>Savings</b>	<b>2018/19 £’000</b>
Specific service savings as submitted for budget consultation	10,252
Cross cutting savings as submitted for budget consultation	1,055
Invest to save savings as submitted for budget consultation	4,295
Reduction to the contingency fund	1,400
<b>Total (as detailed in Appendix D)</b>	<b>17,002</b>

- 5.4 As with previous years, the Corporate Management Team will ensure that the Sustainable Swansea crosscutting savings targets are allocated to specific Heads of Service and cost centres for delivery during the course of 2018/19.
- 5.5 Details around the currently assumed proposals for Council Tax levels are shown in section 9 of this report.
- 5.6 Details around use of the Council’s Reserves, contingency and inflation provisions are shown in section 8 of this report.

## 6. Outcome of Budget Consultation Process

### Budget consultation Results

- 6.1 The annual budget consultation ran from 14<sup>th</sup> December 2017 to 2<sup>nd</sup> February 2018. The consultation included a public survey available online and in hard-copy in council venues. We also undertook targeted consultation activity around the Social Services charging proposals, letters were sent to those affected and support offered within services from staff. Overall we received 1158 responses to the survey. We also held a children and young people's Big Conversation event attended by 80 pupils. A full summary of consultation results can be found in Appendix E. The consultation on social services charging was included within the separate report to Cabinet.
- 6.2 The EIA process has been running continually through the budget process. The EIA report is attached as Appendix F. Cabinet and Council will be kept updated on any potential issues that may arise as part of the budget implementation process. We will continue to publish each EIA report with the relevant corporate report at: <http://www.swansea.gov.uk/eia>
- 6.3 Council will need to consider the response to consultation and the EIA report and demonstrate how we are taking account of the feedback. This is particularly the case, of course, if we are minded to proceed with any proposals where there is a significant majority of those responding opposed to this, bearing in mind that consultation feedback is just one of the factors that we need to consider when making difficult budget choices

### Main Results from the survey:

- 6.4 The survey provided the opportunity for people to have their say on:
- Future funding of services
  - Funding approach to Education
  - Specific budget proposals

### Future funding of services

- 57% Would you be prepared to pay more for some services rather than lose them?
- 78% Would you prefer for the Council to deliver services in a different way rather than lose them?

### Education

- 71% agree with our approach to the funding of education

### Specific proposals

- 6.5 The majority of proposals were supported by respondents. Areas which received the highest levels of objection and agreement are outlined below:

### **Agree**

- **93% agree** – Commercialise the use of the arts wing in the Grand Theatre
- **89% agree** - Introduce targeted free parking offers on certain days during the year in non-city centre car parks
- **88% agree** - Maximise the use of the Park of Rides sites e.g. offering private companies staff parking, introducing seasonal parking tickets, introducing annual parking permits
- **87% agree** - Retention of the recently trialled rapid response fly tipping team.
- **87% agree** - Review all existing and new care packages in line with the new requirements of the Social Services and Well-being Act

### **Disagree**

- **53% disagree** - Reducing the learning and outreach programme for galleries and museums
- **49% disagree** - Provide a more suitable outreach programs for youth clubs by removing our Satellite youth club provision
- **49% disagree** - An increase to Council car park charges. Increase between 5p and 30p depending on car park and length of stay

### **Other Correspondence**

We received a letter on behalf of the members at Bishop Gore School in objection to the proposal to charge staff to park on school grounds during working hours. A copy of the letter can be found within the Budget Consultation Results report attached as Appendix E

### **Children and young people event: The Big Conversation**

- 6.6 The Big Budget Conversation was the 5<sup>th</sup> annual consultation with children and young people on the Swansea Council budget proposals. The event gave 80 pupils from 12 secondary schools across Swansea an opportunity to consider a number of budget proposals that Swansea Council have to make in order to meet the required savings target. The full outcome of the Big Conversation can be found within summary of consultation results
- 6.7 The Council recognises every child's right to be heard in decisions that affect them, and to ensure a quality experience for children and young people.

The event gave young people a chance to have their say on:

- Future Generations Act
- Views on the Council and its budget
- Specific Budget Proposals

The consultation was aligned to the corporate public budget consultation, attendees were given the opportunity to comment on a maximum of 6 proposals, therefore the number of responses received per proposal differs.

## Specific Proposals

### 6.10 Agree

- Keep the Rapid Response Fly Tipping Team (25 responses – 23 agree, 2 disagree)
- Reduce the number of flower beds – (24 responses – 21 agree, 3 disagree)
- Swansea Council should make changes to its car parking system to save and raise money – (35 responses – 33 agree, 2 disagree)
- Review all care packages to make sure they are in line with the Social Services and Well-being Act – (22 responses – 22 agree, 0 disagree)
- Introduce a pre-paid card system so people can use direct payments to pay for their care – (20 responses, 14 agree, 3 no opinion, 3 disagree)

### Disagree

- School meal price increase (25 responses – 1 agree, 24 disagree)
- Reduce box office hours and brochure only available digitally – (15 responses – 1 agree, 14 disagree)
- Close the Grand Theatre in August – (27 responses – 9 agree, 18 disagree)
- Reduce the learning and outreach programs for galleries and museums – (21 responses – 2 agree, 19 disagree)
- Removal of satellite youth club provision – (15 responses – 6 agree, 9 disagree)
- Remove funding for Enterprise Officers – (24 responses - 1 agree, 23 disagree)

## Schools Budget Forum

- 6.11 The views of the Schools Budget Forum have been received and need to be taken into account by Council before the budget is finalised. See letter at Appendix G.

## Summary

- 6.12 Finally, Council is asked to note that, as part of the budget consultation process:
- An account of the consultation responses will be placed on the Council's website
  - The detailed consultation responses have been sent to the relevant Head of Service to:
    - Reply to any particular responders as appropriate, for example, community groups, Assembly Members
    - Where appropriate, build the comments into the implementation of the proposals, subject to these being agreed by Council.
- 6.13 Council is requested to consider the outcome of consultation and to agree whether or not to make any further change to the savings proposals in Appendix D.

- 6.14 As previously agreed, engagement on the delivery of the objectives in *Sustainable Swansea, fit for the future* will continue during 2018.

### **Changes proposed to the budget in this report**

- 6.15 At the meeting of Cabinet on 15<sup>th</sup> February 2018, as a result of the feedback from the public consultation and considering wider priorities, a number of amendments to the budget were approved for recommendation to Council as follows:

	<b>2018/19</b>
	<b>£'000</b>
<b>Cumulative revised savings target – as per table 1(b)</b>	<b>28,456</b>
Provide funding to ensure schools parking charges saving doesn't directly impact budgets*	150
Remove the proposal to review funding of union representation	72
Delay part of the implementation of the Charging Policy (Social Services)	250
<b>Cumulative TOTAL revised target</b>	<b>28,928</b>

*\*If individual school governing bodies determine to charge for workplace parking then they will retain any income received for local use.*

- 6.16 The report to Cabinet recommended that the contribution to the Contingency Fund in respect of 2018/19 be reduced to between £3.5m and £4m, depending on any budget decisions Cabinet was minded to recommend. Setting the contingency at a final proposed level of £3.45m ensures sufficient funding is released to cover the proposals above.
- 6.17 It is the view of the Section 151 officer that this is the absolute minimum that the Contingency Fund can be set at for 2018/19, in light of the likely costs of the ER/VR scheme until 30 June 2018.
- 6.18 Scrutiny Panels have reviewed and fed back on the proposals and the Service Improvement and Finance Panel have discussed the budget proposals with the Leader of the Council. Following a meeting of the Service Improvement and Finance Panel on 14<sup>th</sup> February 2018, the Convenor of the Panel attended Cabinet on 15<sup>th</sup> February 2018 to outline the views of the Scrutiny Panel.
- 6.19 Council will need to consider whether it is minded to make any further recommendations beyond this in its final proposals for the 2018/19 budget.



## 7. Staffing Implications

### Background

- 7.1 The Cabinet Report of 15<sup>th</sup> February 2018 set out the latest estimate (**work on this is continuing and the number is likely to change**) of the impact of the current proposals on total staffing numbers for 2018/19 as set out in **Table 6** (shown as Full Time Equivalents (FTEs))

**Table 6 – Impact of Savings Proposals on FTEs 2018/19**

<b>Service Saving Proposals</b>	<b>FTEs</b>
Resources	17
Place	20
People	11
<b>Total</b>	<b>48</b>

- 7.2 The Council is committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies.
- 7.3 The S188 Letter was sent out on 14<sup>th</sup> December 2017 and consultation with Trade Unions ran until 1<sup>st</sup> February 2018.
- 7.4 Eight meetings have taken place with the Trade Unions since the S188 was issued; with further meetings scheduled as and when required.
- 7.5 It should be noted that consultation will be undertaken on a rolling basis outside the normal budget cycle, as the outcomes from commissioning and other reviews are presented to Cabinet. Consequently, in some Service Areas, it was not possible at the time of the formal meetings with the Trade Unions to give details of the precise impact on staff and the figures quoted were, therefore, overall estimates. Future meetings with Trade Unions will be used to provide more detail when this becomes available as future options are agreed.
- 7.6 It should also be noted that in view of the fact that the Resources Directorate has to make a further £3m of in year savings, fresh consultation commenced with the Trade Unions and Staff on 22<sup>nd</sup> January 2018, with further meetings scheduled during the 45 day period, i.e. until 8<sup>th</sup> March 2018. This has resulted in a total of 61 posts being at risk. However, due to work undertaken by management in utilising vacant posts, bumped redundancies and approving further ER/VRs, this number as at 22<sup>nd</sup> January had reduced to 26.
- 7.7 A reduction in posts in 2018/2019 will be unavoidable, given that the Council spends over 40% of its overall budget on employees (significantly more in some Service Areas).

7.8 As achieved and evidenced in previous years, and continuing the Council's current policy, every effort will be made to minimise compulsory redundancies. Management action includes:

- *Tight management of vacancies so that we manage the deletion of posts via natural wastage over time*
- *The use of fixed term appointments where a post needs to be covered*
- *Stopping the use of agency staff unless a clear business case can be made*
- *Redeployment and retraining wherever possible*
- *Further encouragement of staff to consider ER/VR options, including bumped redundancies and a time limited enhanced ER/VR offer*
- *Encouraging staff to work flexibly e.g. reduce hours or job share*
- *Flexible retirement*
- *Redeployment Open Days for staff*
- *Enhanced redundancy payment (maximum of 45 weeks). This currently applies to applications approved before 31<sup>st</sup> March 2018 and with end dates up to 30<sup>th</sup> June 2018.*

7.9 The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings, those in management/supervisory posts and those employed in business support functions.

### **Issues**

7.10 The Trade Unions have raised some concerns in relation to the level of information provided to them, and the timing of the proposals, which includes the service savings proposals for each service area, which includes details of where the posts at risk are.

Unison have now submitted a formal response to the budget proposals.

Based on current information it is anticipated that there will some changes to the staffing figures as a result of:

- ERVR applications
- Not filling vacant posts
- Flexible Working requests, i.e. reduced hours
- Flexible Retirement
- Redeployment
- Bumped redundancies

These figures will be updated on an ongoing basis.

HR are constantly working with redeployees to secure them alternative positions. Employees at risk, i.e. those who have not been served notice, can also be considered for redeployment.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

### ***Consultation Period and Notice Periods***

- 7.11 The formal staff consultation period ended on 1<sup>st</sup> February 2018; although consultation meetings with the Trade Unions will continue as and when necessary.

Assuming that Council approves the budget, it will be after this date that the workforce implications of the budget can be implemented.

After any redundancy selection process has been completed, displaced staff will then be served with their contractual notice which could range from a 4 week period up to 12 weeks, which depends on the employee's length of service.

The formal staff consultation period of the Resources Directorate will end on 8<sup>th</sup> March 2018 and therefore no redundancy notices will be served before this date.

## **8. Reserves and Contingency Fund Requirement**

### ***Background***

- 8.1 It is a requirement of the Local Government Finance Act 1992 that authorities have regard to the level of reserves when calculating their Budget Requirement. Whilst there is no prescribed statutory minimum level of reserves, account should be taken of the strategic, operational and financial risks facing the Council.
- 8.2 In assessing the adequacy of reserves account needs to be taken of the following general factors:
- treatment of inflation and interest rates
  - level and timing of capital receipts
  - treatment of demand led pressures
  - expected performance against challenging budget requirements
  - treatment of planned efficiency savings / productivity gains
  - financial risks inherent in major capital developments and funding
  - the availability of reserves, government grants and other funds
  - general financial climate to which the authority is subject

In addition, whilst the Council is making some progress towards rebalancing the budget for 2017/18 and beyond, there remains potential volatility until March 2018, but a draw from General Reserves at year end is considered inevitable. Any consideration on use of reserves to fund the 2018/19 Revenue Budget is dependent on the level of confidence in predicting

2017/18 Revenue Outturn and the overall draw from those reserves. At present it remains the case therefore that there should ordinarily be no planned use of general reserves for future budgets (but see below re late notice of loss of specific grants).

Setting the level of reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy i.e. it is more than a short term decision.

8.3 In considering reserve levels Members should have specific regard to:-

- The report of the Section 151 Officer to Council on 26<sup>th</sup> October 2017 'Review of Revenue Reserves'

- The guidance issued by Welsh Government and circulated to all Members advising on methods that might be employed when reviewing the overall reserves of the Council.

### ***General Reserves***

8.4 The General Reserve amounted to £12.360m at 1st April 2017.

8.5 The Revenue Budget for 2017/18 approved by Council on 23<sup>rd</sup> February 2017 assumed no transfer from General Reserves to support the budget. Any final determination on the use of reserves will depend on the outturn position for 2017/18, however as referred to in paragraph 2.6 it is now assumed to be likely that approximately £3.4m will be required to be taken from the General Reserve to fund the forecast overspend in 2017/18.

8.6 At this point in time, given the substantial uncertainty around specific grant losses, it is proposed to transfer £1m of the General Fund Balance to support the 2018/19 Revenue Budget. If those grant losses are rectified by Welsh Government then the draw from the General Fund balance should not proceed.

Therefore the level of General Fund balances estimated at 31<sup>st</sup> March 2019 would be £8.000m. This is considered the absolute minimum level acceptable given the relative size and scale of the Council's operations and revenue budget and is only proposed because of the impact otherwise of large scale, especially education, specific grant losses.

### ***Contingency Fund***

8.7 The 3<sup>rd</sup> quarter financial monitoring report detailed several forecast uses of the Contingency Fund in 2017/18. At this time, it is anticipated that the £5.4m budgeted contribution in 2017/18 will be fully expended and/or used to fund the Council's final outturn position. Given the overall position as forecast in the 3<sup>rd</sup> quarter budget monitoring report for 2017/18 considered elsewhere on this agenda, the forecast Fund balance as at 31<sup>st</sup> March 2018 is nil.

- 8.8 In assessing the value of the Contingency Fund requirement in 2018/19, the following potential requirements are relevant:
- (a) The risks and issues detailed in Section 11 below.
  - (b) The need to provide a potential source of finance for the ER/VR scheme (given it is extended until 30 June 2018), together with the need to fund any redundancy costs arising from service reorganisation bearing in mind the Council has now retained only limited Earmarked Reserves for this purpose.
  - (c) The poor outlook for Public Finances as set out in the Cabinet report on 14<sup>th</sup> December and summarised in the MTFP report elsewhere on the agenda.
  - (d) The expectation that any emerging additional inflationary pressures beyond the large already budgeted items (National Living Wage, pay awards) will be a call on the fund in year.
- 8.9 Bearing the above in mind, together with the proposals in respect of funding current year service pressures within the 2018/19 base budget, which continues to maintain reduced levels of risk, it is recommended that the contribution to the Contingency Fund in respect of 2018/19 is reduced to between £3.5m and 4m, depending upon any budget decisions Cabinet is minded to recommend. Again this is considered the absolute minimum range necessary to be maintained in light of the likely costs of the ERVR scheme until 30 June 2018.

### ***Earmarked Reserves***

- 8.10 The Council retains earmarked reserves for specific purposes. The reasons for holding these reserves are documented and are subject to ongoing review and scrutiny. The forecast transfers to and from reserves are summarised in Appendix C.

On 26<sup>th</sup> October 2017 Council received and approved a report detailing a formal review and re-allocation of Earmarked Revenue Reserves of the Council.

- 8.11 The Revenue Budget for 2017/18 approved by Council on 23<sup>rd</sup> February 2017 included budget provision for two separate transfers to reserves as follows:-
- £1.0m to fund a contribution to the restructuring reserve specifically in respect of the national WCCIS IT solution (Welsh Community Care Information System).
  - £0.95m to mitigate any loss of specific grants that could have detrimental effects on service targets.

Allocations have already been made from this latter budget provision, especially in relation to waste grant reductions in 2017-18.

- 8.12 It is clear from analysis of specific grant approvals so far received in respect of 2018/19 that the Council is likely to face a significant reduction across a number of services in terms of specific grants.

Past experience has shown that whilst it is extant Council policy that any reduction in specific grant should be met from an equal reduction in service expenditure, there is often a lag between loss of grant and reduction in costs/change in service levels.

It is also clear that in respect of some specific grants (e.g. waste grant) that any reduction in associated expenditure may have a detrimental effect in meeting service targets with a consequential increase in future financial penalties.

It is therefore proposed that the remaining reserve contribution of £0.3m is transferred to Place budgets to mitigate the effect of the continuing further loss of waste grant.

In addition, whilst not explicitly budgeted for on the face of the revenue account, there is an underlying planning assumption that £3m of the Restructuring Costs Reserve provisionally be committed towards meeting part of the cost of actual staffing reductions as they fall due in 2018/19 as part of the evolving reviews of senior staffing, business support, stopping lower priority services and the wider commissioning reviews.

### ***Review of Insurance Fund***

- 8.13 A further review was completed of the sums set aside to provide for future claims which are not known or only partly known at this time. Such claims can be very significant and can relate to past periods going back many years.
- 8.14 In the light of that assessment £700k was released for the three years starting with 2017/18 and was already reflected in the budget proposals previously considered by Cabinet in December 2016.
- 8.15 Furthermore, the Section 151 Officer is confident that this can be supported for an additional two years, so will now end in 2021/22.

### ***Adequacy of Reserves***

- 8.16 Whilst the proposed use of Earmarked Reserves in 2018/19 funds some recurring expenditure, taking into account the level of General and Earmarked Reserves which would be available should there be an overriding financial requirement, and the arrangements in place to monitor and manage financial risk in 2018/19 and future years, I am satisfied that the proposed management of reserves in 2018/19 will result in a forecast level of General Reserves, Earmarked Reserves and Provisions which is just adequate, subject to the potential financial implications of the risks described in Section 11 below and the final budget proposals recommended by Cabinet to Council.

- 8.17 Given the considerable risks and uncertainties facing the Council in 2018/19 and future years, it remains my advice as the officer designated with responsibility for the overall finances of the Council that the above represents reasonable prudent financial management having due regard to service pressures and funding constraints.

## 9. Budget Requirement and Council Tax 2018/19

- 9.1 The Council's recommended requirement is set out in Appendix A. The City and County of Swansea Requirement of £433.216m will be financed partly by Revenue Support Grant of £239.946m and National Non-Domestic Rates of £79.141m.

Based on the recommendations made at Cabinet on 15<sup>th</sup> February 2018, a Council Tax rise of 5.0% would generate an additional sum of £6.033m, a band 'D' charge of £1,268.64.

- 9.2 Including Community Councils, the total requirement, after taking account of proposals in respect of reserve transfers and currently assumed savings, is £434.619m.
- 9.3 The above proposals are based on an indicative Council Tax rise of 5.0%, which is within the range of planning assumptions of the Medium Term Financial Plan.

## 10. Summary of Funding 2018/19

- 10.1 The implications of sections 4, 5, 6, 7 and 8 above, together with the assumed 5% rise in Council Tax identified in Section 9 above, results in a forecast additional funding of £28.928m in 2018/19 as detailed in Table 7 below.

**Table 7 – Budget Proposals 2018/19**

	<b>£'000</b>
Savings identified per Section 5.3 above	17,002
Exclusion of Schools pressures to be funded by schools	2,698
Reserve changes (further reduction to contingency fund, restructure reserve and specific grants reserve)	2,195
Draw from General Fund	1,000
Net effect of Council tax base increase and proposed charges	6,033
<b>Overall resourcing</b>	<b>28,928</b>

- 10.2 I am satisfied that the budget proposals detailed in this report represent a realistic and achievable financial plan for 2018/19 subject to the potential financial implications of the risks described in paragraph 11 below.

## **11. Assessment of Risks and Uncertainties**

11.1 As in previous years, there are a number of potential costs which have been considered in the context of the budget proposals. In particular, the following items:

### ***(a) Implications of specific 2017/18 overspends***

The 3<sup>rd</sup> quarter financial monitoring report discussed at the Cabinet meeting on 8<sup>th</sup> February highlighted a number of service overspends. It is anticipated that remedial action already in place will serve to mitigate some of the overspends identified. Where this is not the case, then adjustment via the Contingency Fund will have to be made for any items that are seen to re-occur.

### ***(b) Unavoidable Spending Requirements***

All services will need to meet a range of additional / new pressures in 2018/19. These include the implications of new legislation; demographic changes; final completion of the single status appeals process; and other requirements. Whilst reasonable provision has been made for these costs, there is a risk that some items will result in overspends. In particular it is assumed that whilst the cost of pay protection arising out of single status implementation can be funded centrally, any additional costs that will have arisen as a result of the appeals process will have to be met from within specific existing Directorate budgets.

### ***(c) Savings***

It is essential in terms of the financial challenges facing the Council beyond 2018/19 that further savings proposals are continuously developed as part of the *Sustainable Swansea* programme and implemented over and above those proposed within this budget. This will be a continuation of plans already underway and specifically include existing and the next waves of commissioning reviews and a further particular focus on more cross cutting themes.

The 2018/19 budget includes significant and extensive savings targets which must be fully achieved. It is a requirement of the Council's financial procedure rules that Responsible Officers are required to manage expenditure within approved budgets of the Council and to that extent it is essential, should specific proposed budget savings be delayed or postponed, alternative savings are achieved in year to meet approved Directorate Budgets.

Given the nature and scale of the savings challenge during 2018/19, there will be continued and enhanced monitoring and tracking of progress in achieving budget savings which will be reported to Corporate Management Team, Financial Strategy and Transformation Group and Cabinet.



As noted above, further proposals will be brought to Cabinet during the year as necessary.

#### ***(d) Inflation***

Where there have been specific announcements around minimum wage increases an estimate has been included around the potential additional costs that may fall to the Council from external contractors. In addition £1.0m has been provided for potential inflationary increases in areas where there is a significant element of contracted out services.

#### ***(e) Care Home Fees***

Budget provision has been made for the 2017 contract settlement with care home providers. However, it is likely that fees will need to be further monitored given that the Council has to undertake an annual review of payments to care home providers which must be robust and evidenced – see specific provision for inflation above.

#### ***(f) Specific Grants***

A number of specific grants are yet to be announced. In the event that the level of specific grants awarded for 2018/19 is less than that for 2017/18, which is highly likely based on limited announcements made so far, it is essential that Directorates take action to manage such reductions within the proposed spending limits – i.e. there is no ongoing corporate provision for meeting such shortfalls. There is a clear expectation that expenditure will be cut to match the level of grant. Recent experience suggests that there may be substantial in-year reductions to grant funding streams that will require urgent and concerted action in terms of mitigation.

It is, however, acknowledged based on past experience that where specific grants are reduced there may be a time lag between reduction in funding and the Council's ability to reduce costs. It is equally clear that in some areas currently funded by specific grant the Council will, for operational or service reasons, wish to maintain expenditure.

The proposals on earmarked reserves detailed in Section 8.12 of this report propose transferring the remaining balance for loss of grants to Place to replace the loss of the waste grant; this means that any future bids for funding to cover loss of specific grants will have to be made against the already significantly reduced contingency fund.

The assumption in the budget for the Ethnic Minority Achievement Unit (EMAU) is that, following recent Welsh Government indications, there will be some form of a specific grant in 2018/19, however there have been no further substantive offer details released as yet. The budget is set on the assumption that the grant will continue in some form for 2018/19 only and predominantly fund the total cost of the service. Any shortfall in funding will be a further drain on the, as aforementioned, significantly reduced contingency fund, and

inevitably be a further base budget strain beyond 2018/19, if the specific funding were to then end.

In addition minor changes have now been funded by this Council from its limited budgets to ensure that where specific grants and funding relating to educating Gypsy Traveller Children and provision of school uniform grants would have otherwise ceased, these services remain in place, at least for 2018/19.

To facilitate maintaining these three areas previously funded by education grants, given the lateness of notice, it is proposed to draw £1m from the General Fund Reserve and seek to continue dialogue with the Welsh Government to urgently reverse these proposals.

In respect of the significant Post 16 Education grant reduction of £541k by the Welsh government, the budget is set on the assumption that schools will have to fully absorb their share of this grant loss (£501k). Given the size of the reduction and the late timing of the announcement this has high risk attached to it.

#### ***(g) Equal Pay Back Payments***

The bulk of equal pay claims both in number and value have now been settled. However, legislation is such that further claims cannot be precluded although the introduction of the compliant pay and grading structure from 1<sup>st</sup> April 2014 will significantly lessen risk in this area over time.

#### ***(h) Implementation of Single Status***

Whilst the Council implemented a compliant pay and grading structure from 1<sup>st</sup> April 2014, there has been a significant number of appeals against grades awarded. Where these appeals have been successful, it will lead to additional costs over and above the grade initially allocated including incremental costs over a period of up to five years, of which 2018/19 represents last year.

#### ***(i) Council Tax Reduction Scheme***

Provision has been made for the estimated costs which are now linked directly to any proposed increases in Council Tax Levels.

#### ***(j) Capital Financing Charges***

There is a risk that the funding ask (in respect especially of additional unsupported borrowing) highlighted in the Capital Budget report elsewhere on the agenda will result in additional charges over and above the agreed budget provision.

The Report on the Capital Programme for 2017/18 – 2023/24 elsewhere on this agenda highlights specific actions that need to be taken to mitigate

against future increases in revenue costs linked to increases in unsupported borrowing and further externalisation of current debt.

In additional mitigation it is intended in 2018/19 to formally review at Council the policy with respect to the Minimum Revenue Provision. This has the potential to reduce capital financing charges in the short to medium term, albeit at the expense of increases in the longer term. Careful consideration will need to be given to the optimum balance to be struck having due regard to affordability, timing, future capital grant flows, future income streams and our obligations to have full and due regard to the Wellbeing of Future Generations.

- 11.2 Whilst reasonable assumptions have been made in relation to each of the above risks it is impossible to be certain that adequate funding will be available for every item. This re-enforces the need to have adequate reserves and balances available to meet any unexpected costs or shortfalls.
- 11.3 The above risks are both substantial and potentially significant in value. Therefore during 2018/19 specific actions are being put in place which will involve:-
- Monthly monitoring of specific savings targets against an agreed implementation timetable in order to identify any slippage and appropriate and equivalent compensating budget savings.
  - Ensuring compliance with the Council's Financial Procedure Rules which require Responsible Officers to manage budgets within the limits set by Council.
  - The impact of any changes to specific grant funding streams.

## **12 Equality Impact Assessment (EIA)**

- 12.1 Budget proposals continue to be subject to the Council's Equality Impact Assessment (EIA) process. Appendix F contains the Equality Impact Assessment (EIA) Statement for the Budget. The focus continues to be on mitigation of impact on the community.
- 12.2 Due to both the nature of the proposals being considered and the regulatory framework around EIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period.
- 12.3 Officers are always advised to undertake the initial screening as early as they can, with (if required) a full EIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget EIAs throughout the year. As a result, the assessment of impact is not a one-off exercise – it is a continuing process.

12.4 To ensure ongoing rigorous process, the following elements are of note:

- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the EIA
- EIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
- Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
- Where a proposal has potential adverse impacts that cannot be mitigated, the EIA is referred to senior managers for attention and consideration.

12.5 In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at any point of implementation, particularly with the EIA process being a continuing feature as proposals are further developed. Therefore we will continue to publish each EIA report with the relevant corporate report at:

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

### **13. The Medium Term Financial Plan (MTFP) 2019/20 – 2021/22**

13.1 Many of the issues identified in this report have implications for future years. The MTFP report elsewhere on the agenda includes an assessment of likely shortfalls in future years and outline proposals for achieving savings.

### **14. Legal Implications**

14.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

**Background Papers:** None

**Appendices:**

Appendix 'A' Revenue Budget summary 2018/19

Appendix 'B' Net Directorate budget proposals

Appendix 'C' Earmarked Reserves

Appendix 'D' Specific savings proposals

Appendix 'E' Budget Consultation Results 2018

Appendix 'F' Equality Impact Assessment

Appendix 'G' Response of the Schools' Budget Forum

Appendix 'H' Directorate Budgets

	APPENDIX A		
<b>REVENUE BUDGET SUMMARY 2018/19</b>			
<b><i>DIRECTORATE</i></b>	<b>REBASED</b>		<b>ORIGINAL</b>
	<b>BUDGET</b>		<b>BUDGET</b>
	<b>2017/18</b>		<b>2018/19</b>
	<b>£'000</b>		<b>£'000</b>
RESOURCES	43,733		41,906
PEOPLE - POVERTY AND PREVENTION	6,282		6,378
PEOPLE - SOCIAL SERVICES	108,376		111,075
PEOPLE - EDUCATION	20,508		20,799
PEOPLE - EDUCATION - DELEGATED TO SCHOOLS	143,608		147,013
PLACE	55,134		56,605
<b><i>NET DIRECTORATE EXPENDITURE</i></b>	<b>377,641</b>		<b>383,776</b>
SPECIFIC PROVISION FOR INFLATION / APPRENTICESHIP LEVY	1,000		2,000
<b><i>OTHER ITEMS</i></b>			
LEVIES			
SWANSEA BAY PORT HEALTH AUTHORITY	84		86
CONTRIBUTIONS			
MID & WEST WALES COMBINED FIRE AUTHORITY	12,275	✓	12,631
<b><i>CAPITAL FINANCING CHARGES</i></b>			
PRINCIPAL REPAYMENTS	15,316		16,066
NET INTEREST CHARGES	15,893		16,643
<b><i>NET REVENUE EXPENDITURE</i></b>	<b>422,209</b>	✓	<b>431,202</b>
<b><i>MOVEMENT IN RESERVES</i></b>			
GENERAL RESERVES	0		-1,000
EARMARKED RESERVES	2,260	✓	2,614
<b><i>TOTAL BUDGET REQUIREMENT</i></b>	<b>424,469</b>		<b>432,816</b>
DISCRETIONARY RATE RELIEF	400		400
<b><i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i></b>	<b>424,869</b>	✓	<b>433,216</b>
COMMUNITY COUNCIL PRECEPTS	965		1,403
<b><i>TOTAL REQUIREMENT</i></b>	<b>425,834</b>	✓	<b>434,619</b>
<b><i>FINANCING OF TOTAL REQUIREMENT</i></b>			
REVENUE SUPPORT GRANT	237,242	✓	239,946
NATIONAL NON-DOMESTIC RATES	79,531	✓	79,141
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	108,096	✓	114,129
COUNCIL TAX - COMMUNITY COUNCILS	965	✓	1,403
<b><i>TOTAL FINANCING</i></b>	<b>425,834</b>	✓	<b>434,619</b>
<b><i>COUNCIL TAX BASE for the City and County of Swansea</i></b>	89,465		89,962
<b><i>COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea</i></b>	1,208.25	✓	1,268.64
<b><i>GENERAL RESERVES</i></b>			
AT 1 APRIL	12,360	✓	9,000
AT 31 MARCH	12,360	✓	8,000
Note - 2017/18 budget has been rebased to reflect the 2018/19 grant transfers from the Welsh Government and other in year changes			

REVENUE BUDGET 2018/19								
NET DIRECTORATE BUDGET PROPOSALS								
	Resources	People - Poverty and Prevention	People - Social Services	People - Education	People - Education Delegated to Schools	Place	To be allocated	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Original estimate 2017/18</b>	<b>42,708</b>	<b>6,068</b>	<b>103,814</b>	<b>21,108</b>	<b>143,608</b>	<b>50,763</b>	<b>0</b>	<b>368,069</b>
Directorate Transfers	0	0	0	0	0	0	0	0
<b>Original estimates following transfers</b>	<b>42,708</b>	<b>6,068</b>	<b>103,814</b>	<b>21,108</b>	<b>143,608</b>	<b>50,763</b>	<b>0</b>	<b>368,069</b>
Transfer to (+) / from (-) reserves 2017/18	-839	0	-285	-60	0	298	0	<b>-886</b>
<b>Original estimate 2017/18 excluding reserves</b>	<b>41,869</b>	<b>6,068</b>	<b>103,529</b>	<b>21,048</b>	<b>143,608</b>	<b>51,061</b>	<b>0</b>	<b>367,183</b>
Transfers for specific items 2017/18	0	0	3,557	0	0	2,516	0	6,073
Baseline adjustments 2017/18	1,041	335	844	-600	0	1,880	0	3,500
<b>Adjusted service budgets 2017/18</b>	<b>42,910</b>	<b>6,403</b>	<b>107,930</b>	<b>20,448</b>	<b>143,608</b>	<b>55,457</b>	<b>0</b>	<b>376,756</b>
Baseline adjustments 2018/19	0	10	543	-1,068	1,203	1,041	0	1,729
Spending Needs	1,899	280	7,650	1,891	2,152	2,386	0	16,258
Pay inflation provision	650	251	1,206	497	200	1,696	0	4,500
Savings:								
Specific consultation proposals	-3,641	-566	-6,544	-969	-150	-3,733	0	-15,603
Senior Staff Savings	0	0	0	0	0	0	0	0
<b>Original estimate 2018/19 excluding reserves</b>	<b>41,818</b>	<b>6,378</b>	<b>110,785</b>	<b>20,799</b>	<b>147,013</b>	<b>56,847</b>	<b>0</b>	<b>383,640</b>
Transfer to (-) / from (+) reserves 2018/19	88	0	290	0	0	-242	0	136
<b>Net Directorate budgets 2018/19</b>	<b>41,906</b>	<b>6,378</b>	<b>111,075</b>	<b>20,799</b>	<b>147,013</b>	<b>56,605</b>	<b>0</b>	<b>383,776</b>

APPENDIX B

<b>REVENUE BUDGET 2018/19</b>					
<b>EARMARKED RESERVES</b>					
	Balance	2017/18	Balance	2018/19	Balance
	31/03/17		31/03/18		31/03/19
	£000	£000	£000	£000	£000
<b>DIRECTORATE RESERVES</b>					
Equalisation reserves	0	0	0	0	0
Commutated sums	-5,030	-21	-5,051	-20	-5,071
Repair & renewal funds	-3,362	-326	-3,688	-218	-3,906
Profit share	-1,218	-65	-1,283	-66	-1,349
Service reserves	-4,590	362	-4,228	318	-3,910
<b>TOTAL DIRECTORATE RESERVES</b>	<b>-14,200</b>	<b>-50</b>	<b>-14,250</b>	<b>14</b>	<b>-14,236</b>
<b>CORPORATE RESERVES</b>					
Contingency Fund	0	0	0	-3,450	-3,450
Insurance	-15,695	700	-14,995	700	-14,295
Transformation/Efficiency	-11,814	530	-11,284	78	-11,206
<b>TOTAL CORPORATE RESERVES</b>	<b>-27,509</b>	<b>1,230</b>	<b>-26,279</b>	<b>-2,672</b>	<b>-28,951</b>
<b>UNUSABLE/TECHNICAL RESERVES</b>	<b>-877</b>	<b>45</b>	<b>-832</b>	<b>44</b>	<b>-788</b>
<b>SCHOOLS DELEGATED RESERVES*</b>	<b>-7,575</b>	<b>0</b>	<b>-7,575</b>	<b>0</b>	<b>-7,575</b>
<b>TOTAL RESERVES</b>	<b>-50,161</b>	<b>1,225</b>	<b>-48,936</b>	<b>-2,614</b>	<b>-51,550</b>
* No updated information available - balances held by individual schools					

APPENDIX C

**APPENDIX D**

<b>HoS Budget</b>	<b>Proposal</b>	<b>Savings 2018/19 £'000</b>
Resources	Management review including all tiers, regional working and shared services, more digital working and 'mini business hubs' within other directorates	995
Resources	Service Reviews and demand management across all areas of the Directorate	597
Resources	Review and full cost recharge of Welsh Translation Service to users	160
Resources	Review funding of union representatives	72
Resources	Reduce budgeted council tax reduction scheme costs to same level as actual spend (demand led, varies annually)	500
Resources	Working commercially across the Council on income / contract spend, prioritising resources as per strategy and plan	1,150
Adult Services	Management savings across all levels within Adult Services	762
Adult Services	Review of Community Alarm Service (separate consultation)	10
Adult Services	Implement preferred options as outcome of Commissioning Review leading to reduction of in-house beds	169
Adult Services	Review of day services eligibility (separate consultation)	110
Adult Services	Maximise Income for Local Area Coordination from partners	80
Adult Services	Implement preferred options as outcome of Commissioning Review	500
Adult Services	Introduction of prepaid cards to service users to minimise potential for direct payments to be used incorrectly	150
Child & Family Services	Leaving care accommodation costs to be aligned to maximise eligibility for grant funding	150
Education	School Meal Charges - full year impact of September 2017 5p increase	23
Education	Free breakfast costs - further review of support given	69
Education	Catering and cleaning services - further review of actual costs to achieve full cost recovery	95
Education	Corporate review of terms and conditions - school staff parking charges	150
Education	School Meal prices: further increases (5p / £2.30: Sept 18; 10p / £2.40: Sept 19; and 10p / £2.50: Sept 21)	40
Education	Robust management of demands on remaining severe and complex needs budgets	261
Education	Continuing managed savings through wider impact of implementation of new models of learner support	130
Education	Further reductions in regional improvements service ring-fence consistent with funding settlements	32
Education	Further assumed reductions in Education Improvement Grant matching funding requirements	11
Education	Ethnic minority achievement service - full recovery of eligible costs from external grant	40
Education	Further review of management posts in light of changing demands and capacity issues	55
Education	Adult and community learning managed savings	80
Poverty & Prevention	Develop and spin out the Food not-for-profit Enterprise	70
Poverty & Prevention	Completion of Rights Respecting Schools Award	10
Poverty & Prevention	Reduce third sector funding via the Change Fund by 10%	25
Poverty & Prevention	Management savings	4
Poverty & Prevention	End the Enterprise Officers Contract and look for funding alignment opportunities	70
Poverty & Prevention	Joint commissioning opportunities for LGBT Youth Club provision (YMCA)	20



<b>HoS Budget</b>	<b>Proposal</b>	<b>Savings 2018/19 £'000</b>
Poverty & Prevention	Reduce satellite youth clubs provision (Gendros, Montana, Morriston, St Thomas, Friendship House)	40
Poverty & Prevention	Reduction in investment in Early Years	47
Poverty & Prevention	Maximise grant funding and income opportunities	145
Poverty & Prevention	Management and staffing efficiencies	60
Poverty & Prevention	Alignment of Early Intervention and Family Learning provision	20
Corporate Building	Staffing and transport savings due to more efficient mobile working	200
Corporate Building	Reduced maintenance on a number of building assets assuming a number will have been rationalised (sold, transferred to community running)	100
Corporate Property	Implement preferred options of Commissioning Reviews for Corporate Property, Cleaning Services and Cultural Services	308
Corporate Property	Additional rental income , including Liberty Stadium	400
Corporate Property	Efficiencies achieved in mail contracts	60
Culture & Tourism	Implement cost recovery by charging schools/other public sector for education services at museums and galleries	21
Culture & Tourism	Reduced staffing and opening hours at the Grand Theatre	176
Culture & Tourism	Cease Grand Theatre printed programme and concentrate on digital only	20
Culture & Tourism	Grand Theatre and Brangwyn increased income	220
Highways & Transportation	More efficient and effective transportation across all Council activities	250
Highways & Transportation	Reduced staff mileage claims as a result of a more agile and digital workforce	200
Highways & Transportation	Efficiencies in management and maintenance of vehicle fleet provision and wider highways and transportation processes	120
Highways & Transportation	Swansea Marina increased income opportunities outside of actual mooring fees	25
Highways & Transportation	Sell park and ride spaces to other employers	20
Highways & Transportation	Increased infrastructure works on behalf of Housing Department. Investment in Housing assets presents significant opportunities.	20
Highways & Transportation	Disability Crossover budget - installing dropped kerbs at junctions. Future funding from member environmental improvement budgets	20
Highways & Transportation	Increased car parking charges, set to match demand patterns, including Sunday parking	100
Highways & Transportation	Enforcement of moving traffic offences (via new technology)Investment in new technology	30
Highways & Transportation	Increases in licensing charges	5
Place - Cross Cutting	Increased fee earning activity, assuming full cost recovery	750
Place - Cross Cutting	Senior staff savings	250
Waste Management & Parks	Seek community ownership/sponsorship of flower beds	25
Waste Management & Parks	Rationalisation of Playgrounds	30
All Services	Reduce sick pay expenditure	1,000
All Services	Reimburse only half of all staff professional fees	55
Non Services	Reduction in earmarked reserves (contingency fund)	1,400

HoS Budget	Proposal	Savings 2018/19 £'000
<b>Savings Requiring Initial Investment</b>		
Adult Services	Review all Mental Health and Learning Disability packages of care, to ensure that they are fit for purpose and those eligible for health funding receive it (separate consultation).	500
Adult Services	Review all packages of care to ensure fit for purpose and effectively manage new admissions to residential and domiciliary care (separate consultation)	221
Adult Services	Targeted increase in recourse to direct payments as alternative to non-complex domiciliary care packages and complex care packages for Mental Health & Learning Disabilities (separate consultation)	500
Adult Services	Charging Policy and Annual Fee Increases	1,000
Adult Services	Investment in new posts to underpin the savings set out above	-564
Child & Family Services	Savings arising from the Safe LAC Reduction Strategy	3,000
Child & Family Services	Demand management ensuring Child & Family work only with those children with eligible needs requiring a Social Work intervention.	450
Child & Family Services	Implement the recommendation of the Family Support Commissioning Review and reconfigure in house Family support service.	200
Child & Family Services	Investment in new posts to underpin the savings set out above	-980
Economic Regeneration	Investment into Economic Regeneration following commissioning review with a specific focus on maximising external funding opportunities	-32
<b>Total Savings before council tax increase</b>		<b>17,002</b>

## Budget Consultation Results 2018

### 1. Budget Consultation

Consultation on the specific budget proposals ran from 14th December 2017 to 2nd February 2018. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 1,158 people took part in the budget consultation survey.

The consultation was available online at [www.swansea.gov.uk/budgetsurvey](http://www.swansea.gov.uk/budgetsurvey) and hard copies were made available in Libraries and Council venues across the City.

We also undertook targeted consultation activity around the Social Services charging proposals, letters were sent to those affected and support was offered within services by staff.

We had 3,715 visits to our Budget Consultation webpages (up 106% from last year) with 1,942 clicks through to the survey itself during this consultation. The link on Staffnet went straight to the main budget page.

#### Communication and Social Media

The consultation was widely promoted across Swansea within the press and social media. Example of social media can be found in Appendix 1. This resulted in:

- 10 press releases in total
- 15 media mentions, including two front page leads of the Evening Post and a number of radio mentions.
- 12 Facebook posts – with a total reach of 35,142 and 1,904 engagements
- 6 Facebook videos promoting the budget consultation resulting in 3,242 views
- 26 tweets sent out on Twitter – 70,048 impressions and 1,526 engagements

### 2. Budget Consultation Summary Results (full results Appendix 2)

The survey provided the opportunity for people to have their say on:

- Future funding of services
- Funding approach to Education
- Specific budget proposals

#### Future funding of services

**57%** Would you be prepared to pay more for some services rather than lose them?

**78%** Would you prefer for the Council to deliver services in a different way rather than lose them?

## Education

71% agree with our approach to the funding of education

## Specific Proposals

The majority of proposals were supported by respondents. Areas which received the highest levels of objection and agreement are outlined below:

### Agree

**93% agree** – Commercialise the use of the Arts Wing in the Grand Theatre

**89% agree** - Introduce targeted free parking offers on certain days during the year in non-city centre car parks

**88% agree** - Maximise the use of the Park and Ride sites e.g. offer private companies staff parking, introducing seasonal parking tickets, introducing annual parking permits

**87% agree** - Retention of the recently trialled rapid response fly-tipping team.

**87% agree** - Review all existing and new care packages in line with the new requirements of the Social Services and Well-being Act

### Disagree

**53% disagree** - Reducing the learning and outreach programme for galleries and museums

**49% disagree** - Provide a more suitable outreach programs for youth clubs by removing our Satellite youth club provision  
**49% disagree** - An increase to Council car park charges. Increase between 5p and 30p depending on car park and length of stay

## Other Correspondence

We received a letter on behalf of the members at Bishop Gore School in objection to the proposal to charge staff to park on school grounds during working hours. A copy of the letter can be found at Appendix 4

### 3. **Children and Young People** (full results Appendix 3)

On Friday, 19<sup>th</sup> January 2017, 80 young people participated in the 4<sup>th</sup> Annual Big Budget Conversation, where they had an opportunity to consider a number of budget proposals that Swansea Council have to make in order to meet the required savings target.

Young people attended from the following schools:

- Birchgrove
- Bishopston
- Bishop Gore
- Bishop Vaughan
- Cefn Hengoed
- Dylan Thomas
- Gowerton
- Morriston
- Olchfa
- Pentrehafod
- Pontarddulais

Swansea Council recognises every child's right to be heard in decisions that affect them and to ensure a quality experience for children and young people.

The event gave young people a chance to have their say on:

- Future Generations Act
- Views on the Council and its budget
- Specific Budget Proposals

The consultation was aligned to the corporate public budget consultation. Attendees were given the opportunity to comment on a maximum of six proposals, therefore the number of responses received per proposal differs.

### **Specific Proposals**

#### **Agree**

- Keep the Rapid Response Fly Tipping Team (25 responses – 23 agree, 2 disagree)
- Reduce the number of flower beds – (24 responses – 21 agree, 3 disagree)
- Swansea Council should make changes to its car parking system to save and raise money – (35 responses – 33 agree, 2 disagree)
- Review all care packages to make sure they are in line with the Social Services and Well-being Act – (22 responses – 22 agree, 0 disagree)
- Introduce a pre-paid card system so people can use direct payments to pay for their care – (20 responses, 14 agree, 3 no opinion, 3 disagree)

#### **Disagree**

- School meal price increase (25 responses – 1 agree, 24 disagree)
- Reduce Grand Theatre box office hours and make brochure only available digitally – (15 responses – 1 agree, 14 disagree)
- Close the Grand Theatre in August – (27 responses – 9 agree, 18 disagree)
- Reduce the learning and outreach programs for galleries and museums – (21 responses – 2 agree, 19 disagree)
- Removal of satellite youth club provision – (15 responses – 6 agree, 9 disagree)
- Remove funding for Enterprise Officers – (24 responses - 1 agree, 23 disagree)

# Appendix 1

**Cyngor Abertawe - Swansea Council**  
Published by Field Max [?] · January 23 at 1:00pm · 🌐

Viewing: English ▾

More than 80 young people have had their say about Swansea Council's latest budget proposals at a special event for secondary schools. The pupils representing 12 comprehensive schools across the city gathered at Bishop Vaughan Catholic School where they examined the plans and then asked questions and delivered their own opinions and ideas. Their views will now be taken into account as part of the wider budget consultation that closes this Friday (Jan 26).

In 2018/19 the council needs to find £22m in savings but plans to commit additional money to schools and education. Swansea residents still have time to take part in the draft budget consultation before it closes on Friday by visiting: [www.swansea.gov.uk/budgetsurvey](http://www.swansea.gov.uk/budgetsurvey)

Hard copies of the consultation are available at libraries, the Civic Centre and Guildhall.



### Performance for Your Post

**2,937** People Reached

**21** Reactions, Comments & Shares ⓘ

<b>5</b> Like	<b>5</b> On Post	<b>0</b> On Shares
<b>2</b> Love	<b>2</b> On Post	<b>0</b> On Shares
<b>1</b> Haha	<b>1</b> On Post	<b>0</b> On Shares
<b>1</b> Wow	<b>1</b> On Post	<b>0</b> On Shares
<b>12</b> Comments	<b>11</b> On Post	<b>1</b> On Shares
<b>0</b> Shares	<b>0</b> On Post	<b>0</b> On Shares

**156** Post Clicks

<b>53</b> Photo Views	<b>3</b> Link Clicks	<b>100</b> Other Clicks ⓘ
--------------------------	-------------------------	------------------------------

**NEGATIVE FEEDBACK**

<b>0</b> Hide Post	<b>0</b> Hide All Posts
<b>0</b> Report as Spam	<b>0</b> Unlike Page

Reported stats may be delayed from what appears on posts

**Cyngor Abertawe - Swansea Council**  
Published by Patrick Fletcher [?] · December 28, 2017 · 🌐

Viewing: English ▾

SWANSEA Council is saving millions of pounds a year cutting back on paperwork and automating services as part of its modernisation drive.

Over the last few years £60m has been saved in back-office and other costs thanks to a programme that's seen extra income generated and investment in streamlining services.

Clive Lloyd, Cabinet Member for Service Transformation and Business Operations, said the council's modernisation programme is helping keep costs down to ensure its overall budget remains on track.

He said: "We've cut back on the amount of office space we need, automated more than 30 requests for services and streamlined services to reduce overheads.

"On top of that, new approaches to waste management has reduced the amount of black bag waste by thousands of tonnes and helped us meet Welsh Government targets three years early."

In the coming years the council plans to go still further in its efficiency and savings-drive to help protect frontline services and jobs.

The plans are part of the council's budget for next year and Cllr Lloyd is urging residents to participate in the consultation.

He said: "Despite all the savings we've made so far, we need to make £80m-plus of savings in the years ahead. Before we do that we need residents to tell us what they think of the proposals we're bringing forward.

"Last year hundreds of people had their say and our budget plans were strengthened as a result.

"This year we've already been listening to head teachers and allocated an extra £2.2m to their budgets to help offset the financial pressures our schools face."

### Performance for Your Post

**5,549** People Reached

**65** Reactions, Comments & Shares ⓘ

<b>6</b> Like	<b>5</b> On Post	<b>1</b> On Shares
<b>1</b> Haha	<b>1</b> On Post	<b>0</b> On Shares
<b>1</b> Angry	<b>1</b> On Post	<b>0</b> On Shares
<b>54</b> Comments	<b>46</b> On Post	<b>8</b> On Shares
<b>3</b> Shares	<b>1</b> On Post	<b>2</b> On Shares

**613** Post Clicks

<b>0</b> Photo Views	<b>59</b> Link Clicks	<b>554</b> Other Clicks ⓘ
-------------------------	--------------------------	------------------------------

**NEGATIVE FEEDBACK**

<b>0</b> Hide Post	<b>0</b> Hide All Posts
<b>0</b> Report as Spam	<b>0</b> Unlike Page

Reported stats may be delayed from what appears on posts

## Council Budget 2018/19: Have Your Say

### The services we provide and what they cost

The Council provides services to more than 240,000 residents. These services include education and schools, care services to the elderly and disabled, care and protection services for children, waste and recycling collections, highways maintenance, subsidised public transport, leisure and recreation, environmental protection and licensing and planning.

You can find details of the many services we provide, including a full A to Z of Council services, on the following link:- [www.swansea.gov.uk/residents](http://www.swansea.gov.uk/residents)  
[www.abertawe.gov.uk/preswylwyr](http://www.abertawe.gov.uk/preswylwyr)

The Council has £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.

**On average we spend £4,000 on every household in Swansea. The figures below show where our money goes (figures are in millions).**

### Planning for the future

Although you may have read that the amount of money we receive from Welsh Government is likely to decrease slightly next year, this has to be balanced by the fact that we expect £22.2 million of additional expenditure which is outside our control such as the nationally agree pay awards, for example.

On top of this we think that our funding from Welsh Government will reduce significantly in the coming years which means we'll have £30 million less to spend at a time when demand for services like social care is rising.

The public have already told us their priorities are schools, social services and other local service such as highways and waste . But with less money we'll have to reduce spending on these priorities whilst making bigger cuts in other areas to balance the books.

We raise over £100million in council tax each year, but this doesn't even 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 is not an option. So we have to take other steps.

We've already reduced our costs by transforming the council through our Sustainable Swansea: Fit for the Future programme. This includes modernising services by using the internet, reducing administration and back-office services, generating income to pay for services and helping families earlier so that we can reduce costs later on. This is expected to save £17million next year alone.

**We've saved money by reducing senior staff and we've identified efficiencies and savings in services totalling over £60 million in the last three years. We're planning to further reduce management, business support and other back office costs by another £3-4million in the coming year alone.**

**We're also 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.**

**And the public can play their part by helping to run services, such as the successful scheme where bowlers are maintaining their greens, or by increasing recycling at home.**

**But it's not all about reducing spending. We want to invest in the city centre, in building new council houses, improving classrooms and delivering the City Deal with the potential to create 10,000 jobs.**

**Balancing all of these things will mean taking difficult decisions. We may have to close some services but if we take action now and find sustainable alternatives, we'll be able to protect more services.**

**That's why we want to talk to you now and get your views on how we can deliver services in the future.**

## **Future funding of services**

**Due to the ongoing reduction in funding from the U.K and Welsh Governments, we have to rethink how we deliver our services.**

**We want your views on how we can provide services in the future:**

- 1. Would you be prepared to pay more for some services rather than lose them?**  
56.9% Yes  
43.1% No
- 2. If yes, please state in the box below which services you would be prepared to pay towards in the future:**  
340 comments
- 3. Would you prefer for the Council to deliver services in a different way rather than lose them?**  
78.1% Yes  
21.9% No
- 4. If yes, please state in the box below how would you like services delivered differently in the future.**  
365 Comments



## Budget Proposals

### Education:

#### 5. Do you agree or disagree with the proposal listed below?

	<b>Strongly Agree</b>	<b>Tend to Agree</b>	<b>Tend to Disagree</b>	<b>Strongly Disagree</b>
School Meal prices: further increases (5p / £2.30 per day: Sept 18; 10p / £2.40 per day: Sept 19; and 10p / £2.50 per day: Sept 21)	28.5%	43.8%	16.4%	11.2%

### Potential Implications of the Local Government Finance Settlement for Schools

The Council faces a challenging budget situation in the light of U.K Government budget decisions and Welsh Governments Local Government Finance Settlement. We have previously sought to advise schools on the financial situation and how this will impact the funding we provide to them. We indicated to schools that this could likely mean year on year real terms reductions in the region of 2.5%. The recent settlement figures, unfortunately, have confirmed the scale of the challenge.

It is also likely that the total Education Improvement Grant available from the Welsh Government next year will be reduced by around 11%. This further exacerbates the pressures to be managed by schools and the education department. Despite this challenging picture the Council remains committed, as far as possible, to continue with relative prioritisation of the delegated schools budget over recent years.

This will provide more funding than has been made available through the Welsh Government Settlement and will be significantly better in comparison with the level of cash savings which will need to be delivered across other Council services. Nevertheless, it will still present a serious challenge to schools because of the significant scale of cost pressures that have been passed to local authorities from the U.K. Government and are unfunded within the Welsh Government Settlement. These include:

- Teachers' pay and pension cost increases
- Other school staff pay and pension cost increases
- Demographic pressures as a result of increasing pupil numbers
- Other cost increases from business rates and Service Level Agreements

The overall unfunded cost pressures are estimated at between 2.5% and 2.8% for 2018-19 and around 3% to 3.5% based on Welsh Government projections for 2019-20.

Against an overall cash reduction of 0.1% in general grant funding from the Welsh Government, the Council is proposing to provide a cash increase of around 1.5% for 2018-19 towards these significant cost pressures and will continue to work with schools to enhance future sustainability through, for example:

- sharing ideas and best practice across schools
- further collaborative working, and
- working in partnership with officers to manage the wider non-delegated service cost pressures

**6. Do you agree or disagree with our approach outlined above?**

22.2%	Strongly agree	48.8%	Tend to agree	16.2%	Tend to disagree	12.7%	Strongly disagree
-------	----------------	-------	---------------	-------	------------------	-------	-------------------

**7. Please give your views on the above here:**

399

## Social Services:

The Social Services and Well-being (Wales) Act ('the Act') that changed the way local councils in Wales provide social care and support. It came into force in April, 2016. It means that councils must provide information, support and services in the way that the Act sets out. The Act gives individuals and their carers more of a say in the care and support they receive. The Act focuses on helping people to stay well, to be safe from harm, to be as independent as possible and to be supported within and by their local community.

**The Act has five principles:**

**Promoting Well-being:** Working with people to understand what matters to them and helping them achieve what is important for their well-being

**Voice and control:** Putting people at the centre of their care; giving people a voice in making decisions about their life and control over reaching the outcomes that matter to them

**Prevention and early intervention:** Increasing preventative services within the community to help people to keep well and help us to know when you may need extra support to prevent problems reaching a critical stage

**Co production:** Providing opportunities for you to be involved in how your care and support is designed and provided

**Collaboration:** Strong partnership working between the various organisations and people that support you, helping you live the life you choose for longer

Added to the above, Social Services is facing unprecedented challenges in terms of the numbers of people who need to access our services and the increasing costs of providing them.

With an ageing population and better and earlier diagnosis and treatment of long-term complex conditions such as learning disabilities and physical disabilities, people are living for longer with more complex needs. This increases the number of people who at some point in their lives might need some form of formal support.

Whilst the budget for Social Services has decreased slightly over the years, the costs particularly in the independent sector have increased significantly due to the key pressures linked to the costs of for example paying the national living wage, increased national insurance and pension contributions.

The increase in people needing support and the costs of providing it will continue to increase, so we need to get smarter in terms of how we support people. In line with the Social Services and Well-being Act, we need to encourage people to be as independent and self-supporting as possible so we can concentrate our services on those who really need them.

In order to meet the requirements of the Act we have to do some things differently:

**8. Do you agree or disagree with the proposals listed below?**

	<b>Strongly Agree</b>	<b>Tend to Agree</b>	<b>Tend to Disagree</b>	<b>Strongly Disagree</b>
Review all existing and new care packages in line with the new requirements of the Social Services and Well-being Act. Care packages will become more focussed on achieving the outcomes that matter to people depending on their circumstances and needs; including effective use of equipment and telecare services. This may mean that some people have either more or less care, depending on their individual circumstances and needs, but we will ensure that nobody is left without the care they need	37.7%	49.0%	7.9%	5.4%
In order to increase citizens' voice and give people direct control over the care they receive we propose to actively promote the use of direct payments as an alternative to traditional care provided by local authority services. We will make it easier to use direct payments by introducing a pre-paid card service	28.3%	42.5%	15.7%	13.5%
In order to promote well-being, review our services in line with Councils Commissioning Review processes so the services that we deliver or we ask others to deliver on our behalf meet the best possible outcomes for people. This might mean some changes to our services, such as our approach to providing technology to support people in their homes, how we provide residential and day services for older people and how we provide services for younger adults with physical disabilities, learning disabilities and mental health concerns	27.3%	48.8%	13.2%	10.6%

## Poverty and Prevention:

### 9. Do you agree or disagree with the proposals listed below?

	<b>Strongly Agree</b>	<b>Tend to Agree</b>	<b>Tend to Disagree</b>	<b>Strongly Disagree</b>
Replace grow local grants with investment in a community enterprise company	16.5%	50.4%	21.6%	11.5%
Provide a more suitable outreach programs for youth clubs by removing our Satellite youth club provision at St.Thomas, Morriston, Gendros and Montana in18/19 and Friendship house in 2019/20	14.7%	36.0%	34.8%	14.5%
Remove funding for Enterprise Officers (who provide support for young entrepreneurs) based in Gower College	27.2%	27.7%	31.9%	13.3%

## Cultural Services:

### 10. Do you agree or disagree with the proposals listed below?

	<b>Strongly Agree</b>	<b>Tend to Agree</b>	<b>Tend to Disagree</b>	<b>Strongly Disagree</b>
Reducing the learning and outreach programme for galleries and museums.	16.2%	30.8%	34.6%	18.4)
Bring the Grand Theatre in line with other theatres by closing during August. It will still be available for hire.	25.1%	40.5%	19.5%	15.0%
Improve our digital box office offer which will allow us to Reduce box office hours at the Grand Theatre 40% less	39.4%	42.8%	10.2%	7.7%
Produce the Grand Theatre brochure in a digital only format	34.5%	34.5%	19.9%	11.2%
Commercialise the use of the arts wing in the Grand Theatre to increase usage	53.6%	39.8%	3.3%	3.3%

## Highways and Transportation:

### 11. Do you agree or disagree with the proposals listed below?

	<b>Strongly Agree</b>	<b>Tend to Agree</b>	<b>Tend to Disagree</b>	<b>Strongly Disagree</b>
Freeze car parking charges within the City Centre during the construction stage of the city centre redevelopment	52.6%	29.6%	11.6%	6.1%
Introduce targeted free parking offers on certain days during the year in non-city centre car parks	54.6%	30.7%	8.7%	6.1%
Introduce targeted free car parking periods (e.g. after 3pm) on certain days per year in the City Centre	57.0%	32.3%	6.1%	4.5%

An increase to Council car park charges. Increase between 5p and 30p depending on car park and length of stay. The council will take a graduated approach to charging so those car parks with lower levels of usage will see lower increases in charges	18.9%	32.0%	24.2%	24.9%
Modify Sunday parking charges to reflect the needs of shoppers and traders. 50p for the first 2 hours, £2 all day parking	36.8%	36.3%	12.6%	14.3%
Maximise the use of the Park of Rides sites e.g. offering private companies staff parking, introducing seasonal parking tickets, introducing annual parking permits	51.0%	36.8%	5.3%	6.9%

## Waste Management and Parks:

### 12. Do you agree or disagree with the proposal listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Review the provision of flowers beds, reducing the number of flower beds whilst protection our green flag status. Seek community ownership and sponsorship opportunities where possible	31.4%	39.1%	18.3%	11.1%
Retention of the recently trialed rapid response fly tipping team. The team will be responsible for checking hot spots and tackling incidents of fly-tipping across Swansea when they have been reported to the council	47.5%	39.7%	7.5%	5.3%

## Any Other Comments:

### 13. If you have any other comments about the budget proposals or anything else contained in the budget Cabinet report please write in here:

193

## The Big Budget Conversation

Bishop Vaughan // 9.30AM – 2PM // 19th Jan 2018

### 80 Young People 12 Secondary Schools

We received  
**58 positive comments**  
**34 negative comments**  
about the budget proposal  
presentation.

Young people were asked  
what they thought of the  
questions on the budget.

We received  
**44 positive responses**  
**37 negative responses**

We received **65 main  
messages** that young people  
want to communicate to the  
council

Young people made  
**38 other comments**  
about the budget.

Young people recorded  
**116 initial thoughts**  
about the budget proposals.

**1,828 opinions**  
were gathered in  
one exercise.

### Young People evaluated the budget questions and the session itself.

"...Surely there's a better,  
more socially productive  
way to distribute that  
money?"

"More voluntary  
work to reduce  
money"

"Need more  
opportunities to ask  
questions"

"Spend now to save later"

Young people's views on the budget questions, the councils intentions and areas where they could input their views will be passed on to Consultation Coordinators in Swansea Council. It is the role of elected Councillors to implement decisions and bring about change based on the views of young people.

### The Future Generations Act

Young people responded to the  
Welsh Government's video .



### Young People voted and had a say on the topics that were important to them.

Topics included: school meals,  
sustainable schools, day services for  
younger and older people, direct  
payments, park and ride, social care,  
entrepreneurship, outreach  
programs, the arts, youth clubs, and  
the environment...

**How can Swansea Council use technology to improve the services it provides to the public?**

Responses: 7

- Have all forms and documents online
- Instead of wasting money on things we don't need, we should invest in poverty-stricken areas
- Like Cardiff, Swansea's bus stops should have an electronic timetable which displays how long there is until the next bus arrives. E.g 'The next bus is the number 22 to City Centre and will arrive in 5 minutes'
- Advertise interesting things in Swansea
- Technology should be used but not in place of people's jobs
- They could use ipads to show live action pamphlets of each attraction in Swansea. Smore is where you could make a live pamphlet with videos.
- More electronic billboards / street advertisements to enable to council to make more money from local companies by increasing the price of adverts and having more of them to display.

**Swansea Council should change the way it delivers some services.**

Responses: 2

- There's many ways to save money for services. E.g. decrease opening hours for services that are not used regularly.
- I agree with this ^

**Swansea Council should cut/lose/get rid of some services.**

- No responses

**Swansea Council is proposing another price increase of school meals from next year. 5p from Sept 18, 10p from Sept 19, 10p from Sept 21. What do you think of this?**

Total responses: 25

Positive responses (agree with the price increase): 1

Negative responses (disagree with the price increase): 24

- The price of school meals is too expensive as it is – I say they stay as they are
- Should be at least £2.30p
- I disagree with this ^
- I strongly disagree with the price increase
- If they can be reduced, they should stay the same
- I believe that these increases are really expensive
- School meals are too expensive for what they are. I pay that much for a McDonald's which is better.
- I agree with this ^
- Prices for food are getting expensive and it needs to be reduced
- I agree with this^
- Oh, hell no
- This person gets it ^
- Defo, not if anything is cheap
- I strongly disagree because some parents don't have enough money to give to their children for food every day

- Shoot pigeons to stop poop on cars – free bird meat in schools
- Retweet this ^
- School meals are already expensive enough
- I personally think that the prices for food should be lowered because it costs me £3 just to have a meal to fill me up
- I think they should stay the same
- I agree that the meals are already quite expensive, it is hard for families who are less fortunate to pay for their children to have dinners
- School meals are becoming too expensive. Maybe do a survey to see what food people want to help cut down on waste.
- For the foodies ^
- Hell, no. I strongly disagree because even now is expensive enough to increase. Please make it cheaper.
- I think school meal prices should not increase
- I disagree with the idea and think the prices should stay as they are.

**Would you be prepared to pay more for some services instead of losing them altogether?**

Total responses: 21

Votes for YES (10)	Votes for NO (6)
Yes for sports facilities Athletics and sport Sport Sports facilities Depends what it is Yes, depends Maybe Depends Depends on what it is Yes	Depends Nah, leave it as it is It depends on the service Depending on the service It depends on if I need the service or not No, no, no, no, this is not OK
What services would you be willing to pay more for?	What services would you not be willing to pay for?
Sports Sports facilities Music service in schools	Youth clubs Youth clubs

**Do you have any suggestions about how we can reduce costs within the Social Services?**

Responses: 4

- More volunteers to help with
- Volunteers
- Open charities
- Donations

**Swansea Council should help schools pilot and set up sustainable plans for the future.**

Responses: 1

- I strongly agree



**The Social Services and Well-being (Wales) Act ('The Act') means that councils must provide information, services and support. Swansea Council should review all existing and new care packages to make sure that they are in line with The Act.**

Total votes: 22

Agree: 22

Disagree: 0

Comments: 16

- If they are going to bring in The Act and want it to be a success then they need to make sure people have one list/path to follow
- We can make people feel supported by offering them money to support their educational needs (e.g. in university/college)
- It should be advertised and shown to everyone not just people in a problematic situation so in any case when they enable it they know what to do
- Yes, I agree
- Yes, I agree
- Of course they should care of
- Agree
- Yes, if it's out of order and proven less useful then it's no use
- Obviously
- Agree
- Yeah, I agree
- I agree
- I don't know
- I don't understand what this question means
- This is difficult to understand
- Strongly disagree

**Swansea Council should reduce the box office hours at The Grand Theatre by 40% by using a digital box office instead. The Grand Theatre brochure should only be available in a digital format.**

Total votes: 15

Agree: 1

Disagree: 14

Comments: 14

- It gets rid of a simple job that might only provide minimum wage. Is this considerably beneficial?
- Closing down the box office (for a few hours) would reduce job opportunities.
- No because the website is hard to use plus in the box office you get better deals
- More jobs so no
- Keep the jobs
- Keep the jobs
- Keep the jobs but use a digital brochure
- What about people who can't access the internet?
- Disagree
- People have jobs and they're being taken over by robots
- There should be a brochure on paper for people who can't access the internet
- Yes because they can save money by not paying wages to them people

- Would result in loss of money
- If someone's internet is not working they won't be able to gain access to tickets. Websites can be faulty, not letting someone buy their tickets etc

**Swansea Council should bring The Grand Theatre in line with other theatres and close during the month of August. (The Theatre will still be available for hire).**

Total votes: 27

Agree: 9

Disagree: 18

Comments: 16

- The theatre is where many people make money, without funding they will be stuck
- I care about my musicals and they improve tourism
- Closing the theatre during the time when tourism is at its peak is, quite frankly, a stupid idea. We can earn much more if we advertise The Grand Theatre.
- I love musicals
- Why would closing and losing money benefit?
- It shouldn't close as it is the summer holidays and children would want to see a play
- Nah to the ah to the no no no
- This is controversial
- They should save money and put whatever shows they would have had on a different day
- Swansea theatre doesn't have to be the same as other theatres
- Why August?
- I don't mind, only if it's cheap
- Is this beneficial? Considering other theatres close, wouldn't it increase its popularity?
- If it would close then it should stay closed and not to rent
- Gives workers a break
- Young people are off from school – entertainment

**Swansea Council should reduce the learning and outreach programmes for galleries and museums.**

Total votes: 21

Agree: 2

Disagree: 19

Comments: 13

- The outreach programmes aren't essential as we learn thoroughly with the school environment
- We should charge people to use museums. Money by the council should be spent better elsewhere.
- Have schools help children to learn to raise and/or save money to go on trips
- If people have a real passion for art there are plenty of classes and places to go and see art for free. This could save the council money.
- They are enjoyable but not everyone will think this
- They are educational
- They are educational

- They should not. These programmes are important and allow people to grow.
- No because they can learn more
- Wales should be on par with other countries when it comes to displaying our unique heritage and culture
- They should reach out to people
- If the council reduce learning and outreach programmes for galleries this could result in a loss of understanding of Swansea's history and culture.
- Galleries and museums enable the younger generation to learn about Welsh culture and heritage. As well as this, galleries and museums are an effective way of raising money through tourism. Why would you close them?

**Swansea Council should keep the Rapid Response Fly Tipping Team who respond when the public report incidents of fly tipping across Swansea.**

Total Votes: 25

Agree: 23

Disagree: 2

Comments: 13

- #savetheenvironment
- I agree because fly tipping is bad for wildlife and the environment but also there should be more bins around
- It will encourage them faster but it still won't look nice
- Perhaps to save money and keep services running
- The Fly Tipping Response Team should be 2 times a week
- If Swansea is unattractive there will be no tourism and there will be less money in Swansea's economy
- This is important but there should be more of an effort to prevent this from having to happen. E.g. education on recycling and more people picking up rubbish outside their houses.
- Use money for rapid response ambulance helicopters, not fly tipping
- That is a charity ^
- My point, give money to them as well ^
- It encourages the fly tippers to continue as their rubbish is being cleared away for them and they are not facing consequences
- I think there should be more recycling bins like in the city centre
- Wales has a very tight-knit community and in the areas where there is fly tipping, the community will officiate and punish the fly tippers

**Swansea Council should reduce the number of flowerbeds but still protect our Green Flag status. The Council should find sponsorship for flowerbeds and support communities to look after their own flowerbeds.**

Total Votes: 24

Agree: 21

Disagree: 3

Comments: 17

- Many people do volunteer work, some people might love gardening but not be able to have their own garden. These can also be groups of people who would benefit from gardening because it can be therapeutic.
- I like flowerbeds
- I think this is important

- Environment should be a priority
- Yes, because sponsorship would significantly reduce the money spent by the council
- Yes, I agree
- Yes, make it pretty
- I agree with supporting communities to keep their flowerbeds
- I love flowers
- Agree – have more flowers because it makes the city look pretty
- Who really cares? It doesn't contribute. I would prefer more facilities to be honest.
- More flower beds
- The flowerbeds support wildlife
- The council should focus on more important things
- I think people could volunteer to plant the flowers
- Don't waste money on them
- They shouldn't because flowerbeds make the town lively

**Swansea Council should provide more suitable outreach programs for youth clubs by removing our satellite youth club provision at St. Thomas, Morrision, Gendros and Montana in 2018/2019 and at Friendship house in 2019/2020.**

Total votes: 15

Agree: 6

Disagree: 9

Comments: 12

- No because children need to have fun locally
- There is no need for youth clubs as most of them are unattended anyway
- Small clubs have a bigger impact
- There needs to be more youth clubs
- There should be more
- There should be more advertisements about them
- Need to raise awareness of youth clubs before closing them – I have never heard of Friendship House
- Youth groups should stay open because they are places where children can socialise rather than stay home on their computers. Youth groups should be advertised more.
- I disagree strongly because with the smaller clubs if there are more clubs more people could have fun but without travelling the distance
- More youth clubs in new areas
- Do youth clubs have a benefit? Can they lead to trouble for young people?
- There needs to be more clubs like this and more effort to make the ones that exist bigger and better

**Swansea Council should remove the funding for Enterprise Officers (who provide support for young entrepreneurs) based in Gower College.**

Total Votes: 24

Agree: 1

Disagree: 23

Comments: 13

- Disagree because the entrepreneurs will have an opportunity to foresee what they may be good at
- Young adults need support in life and help on how to do things
- No, it is beneficial to young people
- To get a true feeling of entrepreneurship, the council should not mother and instead let them fail and learn from their mistakes
- Helps increase business in Swansea
- They should be encouraged if that's their career path
- No because children need to learn about business
- No, it helps the next generation to get into business
- I think it is a good idea and should not be removed, especially for primary schools
- The council shouldn't fund it unless there is any other funding. These experiences inspire people to have their own business, bring more money into Swansea's economy
- It should be funded because there will be more opportunities
- It enables people to be independent
- Are there more entrepreneurs as a result of this? Capitalism forces people to choose a safe and secure route, so less people are likely to be entrepreneurs anyway.

**Swansea Council should make changes to its car parking systems to save and raise money.**

Total votes: 35

Agree: 33

Disagree: 2

Comments: 17

- Not by much
- Yes because they would save a lot of money
- Parking should cost
- If done well they could raise lots of money
- Why does it cost so much money for a run-down car parking space?
- Parking should cost
- Parking shouldn't cost anything
- People will be dissuaded by high price rates
- No, parking is a rip-off currently
- I disagree
- Parking is already expensive
- Parking doesn't need to cost anything
- Why is parking priced at all?
- I agree because some people don't have much money
- It's too expensive. Why is it expensive? The shop aren't making money because of car parking
- It depends on if they're raising money or not
- I agree

**Swansea Council should offer Park & Ride spaces to private companies and offer seasonal/annual parking tickets to encourage people to use more park and ride facilities.**

Total votes: 28

Agree: 25

Disagree: 3

Comments: 7

- Not many people use it, it's cheap anyway so no need
- Pensioners and people unable to work should receive free travel (or discounted ticket price)
- Seasonal tickets and annual tickets should be offered to working class people.
- Helps global warming #savetheplanet
- Global Warming
- It will help the environment and global warming
- The system in Swansea should change to allow both of these to go hand in hand, saving money and creating space for buildings by outpricing parking and encouraging the park and ride scheme, you can achieve the former and reintroduce the failed bendy bus initiative that has already cost the council a lot .f money
  
- Example: a social worker costs £400. It's free up to the first £300 so the receiver of care pays £100.
- It depends on the care. Elderly people should have it for free if they have worked all their life.

**Swansea Council should introduce a pre-paid card system so people can use direct payments to pay for their care.**

Total Votes: 20

Strongly Agree: 1

Agree: 13

No opinion: 3

Disagree: 3

Strongly disagree: 0

Comments: 3

- If care is require, it should be paid for by the government
- Different councils should have different price plans depending on how much money the county has
- It's easy access to pay with portable cash

**What did you think of the questions about the budget?**

Positive responses: 43

Mixed responses: 2

Negative responses: 38

Very good	General things that need changing in Swansea	Great amount of questions for us to think about
Good x 6	Good to help people get	Relevant x 2

	involved	
Enjoyable	Made me think	Something to think about
Interesting x 3	Set out well	Alright
Covered many areas	Covered a lot of problems	Valuable
Simple to answer	Important	Influential
Good questions for the age band	Questions and games engaged people	Reasonable
All focussed on things that allow people to enjoy the city	Good	Easy to answer
Easy to understand	Made me think	We must be challenged to speak up
It challenged us to speak up	Good	Made me think about what can be done
Appropriate	I now understand the pressures on the government	I'm happy with where the money is going
Most were easy to understand		

Good idea but I didn't understand what they were asking me  
Fun to go around but I didn't get some of them

Hard to understand	Didn't really understand	Made me annoyed at some of the council's ideas
Hard to answer	Not enough questions	Should be clearer
Good questions but not enough discussion	Could have been explained more	Confusing at the start but the staff helped me to understand
Confusing at the start	Confusing	Hard to understand because of the vocabulary
Wanted a discussion	Could have been worded easier	Could have been explained differently
Good to get our opinion across	I wanted to say something but there was no question for it	Should be worded differently
Challenging as they have many answers	Not that interesting	Should be more specific
Could have been worded simpler	Should have been on technology instead of paper	Too hard wording
Could have been discussed	Difficult to understand for year 7	None focussed on poverty
some of them were slightly off subject	Could have been more thought-provoking	Wording hard
Needed more background info and explanation	they were good but some of them were slightly off	Hard to answer

	subject	
Not phrased in a clear way	Questions about issues I was not aware of	

**What is the main message you want to communicate to the council?**

Total comments: 65

- There should be more opportunities such as The Big Conversation for youngsters to express their opinion to the council.
- There should be more awards for youngsters in Swansea for good citizenship and community work.
- How much money goes into the world?
- Spend more money on education.
- Get the tidal lagoon as long term it will generate profit.
- I would like to talk about the litter problem in Swansea.
- We need to modernise schools for the future generation.
- Get the tidal lagoon in order to save money.
- Instead of building an arena, help people in poverty.
- We need to get more involved in what's going on.
- We want to get involved a lot more.
- Spend the money wisely.
- Stop wasting money and sort out recycling.
- Anything that could help the social.
- Focus on poverty-stricken areas.
- Watch your budget and spend less of it.
- Do not spend money on things which are not needed (prioritise).
- There isn't enough money for helping poverty,
- More money should go to those in poverty.
- Spend more money on parks and youth clubs.
- Money should be spent on poverty.
- Saying you are not cutting school budgets and raising the cost of everything is not an improvement. You are only saying school budgets aren't being cut for the cameras.
- More money should be spent on educational needs like trips and labs.
- Don't spend money where it isn't needed, e.g the stadium/arena.
- The money should be spent on the right things not pointless things that could be avoided.
- They should put the youth's opinion over clearer and invest in such things as poverty and human rights.
- School budgets.
- Not enough money spent on poverty.
- Think about an effective strategy that will have more advantages than disadvantages.
- Prioritise what and how much money goes to what.
- The difference between wants and needs.
- Needs v wants.
- Nothing because everything I needed was done and spoke about.
- Think about projects and focus on the future as well as the present.



- Think before you build.
- Keep listening to us.
- Take it one step at a time and care about us and other young people's future and the effect you have.
- Give us more money all over.
- They need to offer attractions in Swansea
- How much money goes into the world?
- Allow 16 year old to vote.
- Reduce use of paper in schools.
- Votes at 16.
- More eco-friendly plans like improving public transport and reducing the price of it.
- More money should go into youth groups and poverty.
- Instead of using money on digital equipment, the budget should be spent on poverty-stricken areas.
- They shouldn't spend money on unimportant things. Money should be spent on sports, for example inviting 'Welsh Athletics' to come and help children to keep fit for competitions.
- Instead of books in schools we could use ipads and just use google docs and then we wouldn't have to move around classrooms.
- Find better ways to budget the money, for example, unnecessary road works or works to the city centre.
- Don't cut education and social services. I think there should be cuts to the waste, roads etc and more money put into council tax support to prevent more crimes and accidents.
- Investigate the households that are receiving benefits to see if they are being given too much money, thus being disadvantaged from trying to find a job (if they are able).
- Money shouldn't be spent on unimportant things. Money must be spent on education because there is no point in offering jobs if people haven't been taught about the subject.
- Mental health awareness and LGBT+ Rights.
- Young people's ideas must be considered and listened to. This should be done by holding similar conferences in order to discuss the ways in which the council wants to spend its money.
- Let the children choose – most of the money is given to education and so affects the children that receive the education.
- Instead of 1% funding for poverty, give more towards addressing poverty and ending it
- How can young people get their voices heard without the right to vote for council members at 16? The focus is primarily on adults and in my opinion it's very unfair.
- More money should be spent on education.
- The council have less budget and are helping education.
- Reduce parking fees
- At the last Big Conversation we discussed the prevalence of poverty in Swansea, and established this as severe issue. With this considered, why does the council intend to spend a large amount of money on unnecessary structures (the 3500 seater arena) that we frankly do not need? Surely there is a better, more socially productive way to distribute that money?

- Don't use so much paper in schools and try to use reusable methods eliminating waste paper e.g. stamps onto books.
- The tidal lagoon is the best way forward.
- They should recreate old buildings into businesses for more employment.
- Please don't make an arena.

### **What else would you like to say about the budget?**

Total comments: 38

- More money should be invested into poverty and awards/rewards for youngsters/outstanding youngsters in the community.
- The budget is too low for education.
- There could be more schools as the population is growing rapidly.
- We need more money for the things the council want to do.
- Put more money into education.
- There could be more invested in free activities.
- There could be more investment in free activities and getting schools involved.
- I believe it might be used to buy unimportant stuff.
- Equality between the unpopular departments.
- The budget should be spent on essential things not luxuries like the arena.
- Some things are under budgeted.
- I was surprised at how much money we have managed.
- The government should provide us with more money to spend.
- I was surprised at how much the budget was.
- Not spent wisely.
- The budget granted is huge but I believe that it might be used to do unimportant stuff.
- Focus on finding jobs not building un-needed things.
- Some things are under-budgeted.
- Mental health care.
- Prioritising money is very important.
- You need to look at needs v wants when buying/planning/building.
- Spend the money on good beneficial things like education.
- It's good for Swansea.
- Stop decreasing.
- There's not enough budget.
- More of the budget needs to go to the leisure centre.
- The budget should be shared out and not given small amounts.
- It is quite worrying about the cuts being made.
- If money was spent now to prevent future problems it could eventually save money.
- Spend it wisely.
- The Tidal Lagoon would be very beneficial because it would allow the area to create more job opportunities
- The Tidal Lagoon will save money. Don't axe the music service.
- Please listen to our thoughts on the subject, specifically the element about music and the arts; cutting these budgets is a huge loss. More importantly again, I'd like to underline how bad I think it would be to charge young people for care services.

- The budget is big but it is used on useless things.
- Maybe less spent on social services.
- I understand that tourism is an important contributor to our economy; however, I believe the council should aim to improve the lives of people within the city before spending large amounts of funding on the encouragement of holidaymakers and tourists.
- Too much money is given to the Fire Service. I feel that firefighters should become retained in areas such as Sketty and that more attention should be on fire and collision prevention.
- I have talked to many people about the tidal lagoon and they all thought it was the best way forward > our future > our choice.

## Appendix 4

# BISHOP GORE SCHOOL

## YSGOL YR ESGOB GORE



Headteacher: Mrs Helen Burgum, B.A (Hons), M.A (Ed)

23/1/18

Dear Sir/Madam,

On behalf of our members at Bishop Gore school and as a response to the information we were given on Monday 22<sup>nd</sup> January regarding the council's proposals to charge staff to park on school grounds during working hours, we would like to make the following points:-

- It is an unfair tax based on incremental staff salaries.
- It is being used as a way to prop up diminishing school budgets.
- It is discriminatory against staff who use their own cars, as opposed to other modes of transport which may not be possible.
- Staff already buy equipment for pupils such as pens and pencils, because they do not have the bare essentials for teaching and learning.
- Parking facilities are uneven, unmarked, unsupervised and inadequate for staff numbers currently working on site.
- Staff will not pay these parking charges, preferring instead to use free parking areas within the local community, therefore straining relationships.
- Staff are expected to transport large quantities of books to mark, between home and school, which will not be possible when cars are off site.
- Charges are calculated annually and staff are on site approximately 39 weeks per year.

In conclusion, we wholeheartedly disagree with these proposals.

Alison David - NASUWT

Jennifer Harding-Richards - NEU

Neil Thomas - UNISON



De La Beche Road, Sketty, Swansea. SA2 9AP

Tel: 01792 411400 Fax: 01792 411800

Email: [contactbishoggore@bishoggore.net](mailto:contactbishoggore@bishoggore.net)

Website: [www.bishoggore.net](http://www.bishoggore.net) Twitter: follow us on [twitter.com/bishoggore](https://twitter.com/bishoggore)



**Equality Impact Assessment (EIA) Statement for Swansea Council's Budget  
2018/19**

**1. Introduction**

This statement provides an overall view of the budget EIA process for the Council, along with any specific relevant details for 2018.

The budget is set for the council's operation which covers a wide range of services delivered to the citizens of Swansea. This includes both providing and commissioning of services from other organisations and agencies.

As reported previously, the council has needed to take substantial action to respond to the wide range of service and financial pressures that it faces, including the reduction in external grant.

We, like other local authorities, will be facing a significant reduction in budgets every year for the foreseeable future. We also need to manage increased expectation and demand for services and financial pressures in a number of areas across the Council.

Although the amount of money we receive from Welsh Government is likely to decrease slightly next year, this has to be balanced by the fact that we expect £22.2million of additional expenditure (which is outside our control) such as the new apprenticeship levy, for example. We also believe that our funding from Welsh Government will reduce significantly in the coming years which means we'll have £30m less to spend at a time when demand for services like social care is rising.

Change is already taking place and over the last few years the council has cut costs by being more efficient and more effective in what we do. But this is not enough to meet the scale of cuts and ensure council services are sustainable and fit for the future. Clearly, the sheer amount of savings required means that difficult decisions and potential impacts are inevitable. However, we continue to focus on mitigating any adverse impacts via our EIA process as well as officer expertise.

The authority embarked on a specific strategy 'Sustainable Swansea - Fit for the Future' as a means of setting Council priorities, transforming services and addressing current and future deficits.

The council agreed a set of budget principles to help guide the debate and provide an approach driven by council policy.

There are four key issues:

- Improving efficiency
- New models of delivery
- Prevention
- Future service provision

Further information on 'Sustainable Swansea - Fit for the Future' is available at: <http://www.swansea.gov.uk/sustainableswansea>

In terms of equality, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. This will continue, although services may be delivered in different ways in future.

## **2. The Equality Impact Assessment (EIA) process**

The council has had an EIA process in place for a number of years which was reviewed and streamlined for the second time last year. The process covers:

- The nine protected characteristics covered by the Equality Act 2010
- The Public Sector Equality Duty for Wales
- Consultation and engagement
- Poverty and social exclusion
- Welsh language
- United Nations Convention on the Rights of the Child (UNCRC)
- Carers
- Community cohesion
- Human rights principles.

In order to apply the EIA process, officers follow these steps:

- An initial screening exercise (to identify whether a full EIA report is necessary)
- Completion of a full EIA report (where required)
- Quality assurance and feedback
- Sign off at Head of Service level
- Publication on the Council's website alongside the relevant report
- Review.

Officers have access to dedicated departmental support from members of the Access to Services Team who co-ordinate the quality assurance of EIAs whilst also offering advice and guidance.

The process does not change for specific budget proposals.

### **3. Assessing impact**

Due to both the nature of the proposals being considered and the regulatory framework around EIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period.

Officers are always advised to undertake the initial screening as early as they can, with (if required) a full EIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget EIAs throughout the year.

As a result, the assessment of impact is not a one-off exercise – it is a continuing process.

To ensure an ongoing rigorous process, the following elements are of note:

- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the EIA
- EIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
- Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
- Where a proposal has potential adverse impacts, officers utilise the EIA process to focus on mitigation
- Where a proposal has potential adverse impacts that cannot be mitigated, the EIA is referred to senior managers for attention and consideration.

In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at any point of implementation, particularly with the EIA process being a continuing feature as proposals are further developed.

Therefore, we will continue to publish each EIA report with the relevant corporate report at:

<http://democracy.swansea.gov.uk/ieDocHome.aspx?bcr=1&LLL=0?Lang=eng>

### **4. Consultation and engagement**

Whilst there is a specific regulation around engagement (contained within the Public Sector Equality Duty for Wales), our 'Sustainable Swansea - Fit for the Future' strategy contains a substantial emphasis on consultation and engagement too.

Corporate budget consultation takes place on a wide variety of specific proposals. This includes consultation with children and young people. Others are consulted on using service-specific groups and/or activities.

Corporately, the consultation results are reported separately via the budget reports themselves.

## 5. Local information

Our stakeholders are:

- All citizens of, and visitors to, the City & County of Swansea
- Council staff
- Partner organisations
- Council Tax Payers.

The Council delivers services to all the citizens of the City & County of Swansea. The overall population profile from the latest population estimates (2015) and 2011 Census is as follows:

- The gender split of the **City & County of Swansea** is **50.1% Female** (121,500 people) and **49.9% Male** (120,900 people).
- Children and young people **aged 0-25 years** represent **32.8%** of the population, or **79,500** people.
- **Over 50s** represent **37.5%** of the population (90,900 people), of which **46,800** are over 65 (around 19.3% of the total population).
- **6.0%** of the total population of Swansea (**14, 300** people) came from an ethnic minority background. In terms of religion, **8,530** people (**3.6%** of the population) belonged to non-Christian faiths with 34% (81,219 people) having no religion.
- **23.3% (55,719 people)** had a long term health problem or disability including 11.3% of people of working age (26,988 people). **6.9%** of those aged 16-74 (**12,146 people**) were economically inactive due to long term sickness or disability.
- In 2011, there were **26,332** Welsh speakers in Swansea, or **11.4%** of the population. **44,659** people had one or more skills in Welsh.

Further information about Swansea's population can be found at <http://www.swansea.gov.uk/keyfacts>

Officers consider the particular service users or groups affected when applying the EIA process.

## 6. Staffing

The Cabinet report in December 2017 referred to 48 posts throughout the Authority which included 17 in the Resources Directorate. With regard to the Resources Directorate, these 17 posts were considered along with additional savings that had to be made, which equated to 61 posts. This number has been subsequently reduced to 26 as a result of ERVRs, Bumped Redundancies and deleting vacant posts. The total number of posts considered at risk currently is therefore 57, some of which do have direct links to equality related work



## **7. Third Sector Impact**

Any reduction in grants to external bodies may impact Third Sector organisations. There could also be other proposals that may impact the sector which, if agreed, may require re-configuring or re-commissioning of services. In this context there may be opportunities for Third Sector organisations to be involved in this work. There could also be proposals that look to Third Sector support in the continuation of services through different means of delivery.

## **8. Publication Arrangements**

All EIA reports will be published as they are finalised. As mentioned earlier in this statement, due to the nature of many of the proposals this is likely to take time as assessment of impact continues to be undertaken as proposals are further developed.

## **9. Conclusion**

We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that we continue to focus on mitigation wherever possible. In this context the following should be noted:

- where EIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration
- for those EIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed
- the outcomes of engagement will inform EIAs
- this is an ongoing process and as noted this statement and many EIAs will remain open for varying periods of time
- there is a focus on the council doing things differently in order to further deliver services that are flexible, citizen-centred, meet individual needs and are sustainable for the future.

The council continues to deliver a wide range of services for all the citizens of Swansea. Many of these are of particular benefit to the areas covered by our EIA process, e.g. the protected characteristics defined within the Equality Act 2010.

As highlighted earlier in this statement, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this challenging commitment given the financial constraints it faces. However, services may be provided in a different way in line with 'Sustainable Swansea - Fit for the Future'.

## Equality Impact Assessment (EIA) Report – 2017/8

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 [acesstoservices@swansea.gov.uk](mailto:acesstoservices@swansea.gov.uk).**

<b>Where do you work?</b>
Service Area: Young People Services– Prevention and Early Intervention
Directorate: People

**(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 <input checked="" type="checkbox"/>	Proposal
--	--	-------------------------------------	--------------------------------------	---	----------

**(b) Please name and describe here:**

Friendship House is a satellite provision based near the centre of Swansea in the Castle Ward. The provision is run through a partnership between Friendship House, Mencap and Young People Services and supports young people and adults who have a wide spectrum of learning disabilities and physical disabilities from across Swansea and Neath Port Talbot. MENCAP has delivered social programmes and has used Friendship House as a respite centre for these programmes

The centre opens on a Tuesday, Wednesday and Friday evening from 6.30pm until 9.00pm. The age range of membership for the centre is from 15 – 70 years old, with the majority being vulnerable adults over 25 years old.

The proposal is for Young People Services to withdraw funding completely and for the satellite youth club to secure funding from another source.

**(c) It was initially screened for relevance to Equality and Diversity on: 8/1/2018**

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

Children/young people (0-18).....	<input checked="" type="checkbox"/>	Sexual orientation.....	<input type="checkbox"/>
Older people (50+).....	<input type="checkbox"/>	Gender reassignment.....	<input type="checkbox"/>
Any other age group .....	<input type="checkbox"/>	Welsh language.....	<input type="checkbox"/>
Disability .....	<input checked="" type="checkbox"/>	Poverty/social exclusion .....	<input checked="" type="checkbox"/>
Race (including refugees) .....	<input type="checkbox"/>	Carers (including young carers).....	<input checked="" type="checkbox"/>
Asylum seekers.....	<input type="checkbox"/>	Community cohesion .....	<input checked="" type="checkbox"/>
Gypsies & Travellers.....	<input type="checkbox"/>	Marriage & civil partnership .....	<input type="checkbox"/>
Religion or (non-)belief.....	<input type="checkbox"/>	Pregnancy and maternity.....	<input type="checkbox"/>
Sex.....	<input checked="" type="checkbox"/>		

**(e) Lead Officer**

**Name:** Paul Worsfold  
**Job title:** Area Manager  
**Date:** 15.2.2018

**(f) Approved by Head of Service**

**Name:**  
**Date:**

## Section 1 – Aims (See guidance):

Briefly describe the aims of the initiative:

### What are the aims?

- To withdraw all funding from the satellite club to provide a budget saving
- To consider the views of young people and stakeholders and involve them in decision making around budgets

### Who has responsibility?

Friendship House are the lead organisation for the project however Swansea Young People Services provide some elements of staffing for 3 evenings of provision. The contacts for Swansea Young People Service are Gavin Evans, Young People Services Manager and Sian Bingham, Prevention and Early Intervention Strategic Manager.

### Who are the stakeholders?

Young people and adults attending the provision; their parents / carers; Friendship House; Mencap; NPT and Swansea Social Services; Swansea Young People Services.

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

Please tick which areas you have information on, in terms of service users:

Children/young people (0-18).....	<input checked="" type="checkbox"/>	Sexual orientation.....	<input type="checkbox"/>
Older people (50+).....	<input type="checkbox"/>	Gender reassignment.....	<input type="checkbox"/>
Any other age group .....	<input checked="" type="checkbox"/>	Welsh language.....	<input type="checkbox"/>
Disability .....	<input checked="" type="checkbox"/>	Poverty/social exclusion .....	<input checked="" type="checkbox"/>
Race (including refugees) .....	<input type="checkbox"/>	Carers (including young carers).....	<input checked="" type="checkbox"/>
Asylum seekers.....	<input type="checkbox"/>	Community cohesion .....	<input checked="" type="checkbox"/>
Gypsies & Travellers.....	<input type="checkbox"/>	Marriage & civil partnership .....	<input type="checkbox"/>
Religion or (non-)belief.....	<input type="checkbox"/>	Pregnancy and maternity.....	<input type="checkbox"/>
Sex.....	<input type="checkbox"/>		

Please provide a snapshot of the information you hold in relation to the protected groups above:

All of the people attending the group have a learning disability. An average of 20 young people, between the ages of 11 and 25, attend the group. The budget provided by Young People Services pays for a leader and 2 workers to provide 3 members of staff to provide activities, three times a week.

These activities are integrated within a wider group of people with learning disabilities.

Any actions required, e.g. to fill information gaps?

A register is provided by Friendship House, the data from this needs to be transferred onto a database to provide better access to the information

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

Please consider the possible impact on the different protected characteristics.

	Positive	Negative	Neutral	Needs further investigation
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Religion or (non-)belief	→	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	→	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	→	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	→	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	→	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	→	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	→	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	→	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	→	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	→	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

The decision to remove funding from Friendship House needs to be considered alongside the decisions taken to charge fees for service users accessing Day Centre provision. These are both opportunities for socialisation that are targeted at people with learning disabilities. Outside of this provision, there are few opportunities, that their family / carers consider to be safer, where their socialisation needs can be met. This has the potential to impact upon their wellbeing, particularly their mental health.

There is a potential impact on family / carers, as well, as if opportunities are reduced for their young people then this presents less opportunities for respite from caring responsibilities; as well as the opportunity to access peer-support from other family / carers who bring their young people to Friendship House.

Friendship House have committed themselves to maintaining the provision, if funding is removed, but this may impact on what can be provided.

**Section 4 - Engagement:**

**Please consider all of your engagement activities here, e.g. participation, consultation, involvement, co-productive approaches, etc.**

**What engagement has been undertaken to support your view? How did you ensure this was accessible to all?**

The staff at the satellite youth club were offered the choice between consulting with their members, themselves or having a manager from Young People Services deliver and carry out the consultation.

The satellite leader and decided on the support of the TASS manager to go out on the 24th of January and deliver a big conversation type consultation. As part of this, the service users voted on the whether they agreed with the decision and the parent / carers provided feedback regarding the potential impact of funding being removed.

The full budget savings were also taken to the County wide Big Conversation consultation, which had representation of young people through school representation, from across the city and county of Swansea, the youth club budget proposals were discussed fully at this event, allowing young people to voice their thoughts and opinions, the recordings will be documented in appendix.

	Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
Provide a more suitable outreach programs for youth clubs by removing our Satellite youth club provision at St.Thomas, Morryston, Gendros and Montana in18/19 and Friendship house in 2019/20	14.7%	36.0%	34.8%	14.5%

Consultation on the specific budget proposals ran from 14th December 2017 to 2nd February 2018. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 1,158 people took part in the budget consultation survey.

The consultation was available online at [www.swansea.gov.uk/budgetsurvey](http://www.swansea.gov.uk/budgetsurvey) and hard copies were made available in Libraries and Council venues across the City.

**What did your engagement activities tell you? What feedback have you received?**

The young people did not want any change to what they currently receive.

It was difficult for them to differentiate between a funding contribution being taken away and a service closing. (Although Friendship House is not wholly dependent on the money from Evolve, young people were afraid that the service would be stopped completely).

Parents / Carers were clear about the importance that is attached to having a safe place to go when you, or your child, has learning needs, because of the difficulty that they have in engaging with services that are not tailored to their needs.

Funding decisions taken in isolation by different departments can have an unintended cumulative effect on certain groups. (Young people, parents and carers are also affected by proposals from Social Services to introduce means-tested charging for day centre attendance. Parents / carers felt that these were two safe spaces for their young people that were potentially being made less accessible.

**How have you changed your initiative as a result?**

No change has been made to this proposal. the decision will not affect Friendship House until April 2019 and will not result in the closure of the provision, but potentially reduce some of the activities that might be offered. To mitigate this, there are plans to work with the group to identify and secure alternative sources of funding by supporting them in making funding applications to charitable sources.

**Any actions required (e.g. further engagement activities, mitigation to address any adverse impact, etc.):**

Given that the funding will not be withdrawn until April 2019, the council will need to work with Friendship house to access alternative sources of income.

Service provision for people with learning disabilities needs to be considered across the council, rather than in individual service areas, so that the collective impact can be understood.

**Section 5 – Other impacts:**

Please consider how the initiative might address the following issues - see the specific Section 5 Guidance

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

**Please explain any possible impact on each of the above.**

Foster good relationships between different groups

We will be working with the young people using Friendship House to identify, apply for and secure alternative sources of funding. The young people will be working closely together on this aim, improving their relationships within this process as they will have a common aim.

Advance equality of opportunity between different groups:

The level of learning disabilities experienced by the young people attending this group would make it difficult for them to integrate into the remaining mainstream council youth provision. This means that they would experience disproportionate disadvantage, in comparison to young people affected by the closures of other clubs. For this reason, the withdrawal of funding has been delayed, to allow time to secure alternative sources.

Elimination of discrimination harassment and victimisation

Friendship House provides a safe space for people with learning disabilities to engage in positive activities. The provision itself will not close, only the money paying for staff to operate youth provision is being withdrawn. This provision is integrated within the activities of the wider organisation.

Reduction of social exclusion and poverty.

If the withdrawal of funding results in Friendship House having to reduce their provision, then, taken in conjunction with changes to Social Services day centre provision, this could result in increased isolation for the young people attending Friendship House.

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

Delaying the withdrawal of funding until April 2019 will allow time for Friendship House to identify and secure replacement funds, supported by Young People Services.

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

The potential isolation of any group can have a negative effect on community cohesion. The plans identified above are intended to mitigate this.

**How does the initiative support Welsh speakers and encourage use of Welsh?**

We treat people who speak Welsh no less favourably than people who speak English and we have the capacity in the service to ensure that equal opportunities in line with the Welsh language is adhered to at all times

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

Funding withdrawal delayed until April 2019

Young People Services to work closely with Friendship House to identify, apply for and secure alternative sources of funding.

## **Section 6 - United Nations Convention on the Rights of the Child (UNCRC):**

**Many initiatives have an indirect impact on children and you need to consider whether the impact is positive or negative in relation to both children's rights and their best interests. Please read the UNCRC guidance before completing this section.**

**Will the initiative have any impact (direct or indirect) on children and young people (think about this age group holistically e.g. disabled children, those living in poverty or from BME communities)? If not, please briefly explain your answer here and proceed to Section 7.**

The initiative will have a direct impact on young people

**All initiatives must be designed / planned in the best interests of children and young people.**

*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.*

**Please explain how you meet this requirement:**

The initiative does impact on young people and therefore the closure of the satellite clubs would not be in the best interests of young people. We are fortunate to be able to extend the offer of our Youth hubs as an alternative option. We have also delayed the withdrawal of funding until April 2019 and will work closely with Friendship House to identify, apply for and secure alternative sources of funding

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

Funding withdrawal delayed until April 2019

Young People Services to work closely with Friendship House to identify, apply for and secure alternative sources of funding.

## **Section 7 - Monitoring arrangements:**

**Please explain the monitoring arrangements for this initiative:**

**Monitoring arrangements:** TASS manager (Young People Services) to meet regularly with management group of friendship house to plan and agree progress regarding applications for funding

**Actions:**

- Further consultation with young people
- Further consultation with all stakeholders
- This EIA will remain open and will be updated following the outcome of the alternative funding work undertaken

## **Section 8 – 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



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 9 - 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 – [accesstoservices@swansea.gov.uk](mailto:accesstoservices@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.



## EIA 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
Should the decision be made, to withdraw the funding, we would need to support the young people, their parents / carers and staff with the decision	TASS Manager	As soon as the decision is made	young people, their parents / carers and staff kept fully up to date	
Set up meeting with club leader to agree scope of funding applications	TASS Manager / club leader	within one month of funding decision	agreed brief and scope	
Agree action plan for securing replacement funding	TASS Manager / club leader	within 2 months of decision being made	action plan produced	
Implement action plan	TASS Manager / club leader	will begin within 2 months and complete by Jan 2019	funding secured	

## 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 [acesstoservices@swansea.gov.uk](mailto:acesstoservices@swansea.gov.uk).**

<b>Where do you work?</b>
Service Area: Young people service's Prevention and early Intervention
Directorate: People

**(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 <input type="checkbox"/>	Proposal <input checked="" type="checkbox"/>
--	--	-------------------------------------	--------------------------------------	----------------------------------	---

**(b) Please name and describe here:**

This proposal is to outline the closure of Gendros/Montana, Morrison and St Thomas Satellite Youth Clubs as part of the budget savings for Swansea Young People Services.

**(c) It was initially screened for relevance to Equality and Diversity on: 03/01/18**

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

Children/young people (0-18).....	<input checked="" type="checkbox"/>	Sexual orientation.....	<input type="checkbox"/>
Older people (50+).....	<input type="checkbox"/>	Gender reassignment.....	<input type="checkbox"/>
Any other age group .....	<input type="checkbox"/>	Welsh language.....	<input type="checkbox"/>
Disability .....	<input type="checkbox"/>	Poverty/social exclusion .....	<input checked="" type="checkbox"/>
Race (including refugees) .....	<input checked="" type="checkbox"/>	Carers (including young carers).....	<input type="checkbox"/>
Asylum seekers.....	<input type="checkbox"/>	Community cohesion .....	<input checked="" type="checkbox"/>
Gypsies & Travellers.....	<input checked="" type="checkbox"/>	Marriage & civil partnership .....	<input type="checkbox"/>
Religion or (non-)belief.....	<input type="checkbox"/>	Pregnancy and maternity.....	<input type="checkbox"/>
Sex.....	<input checked="" type="checkbox"/>		

**(e) Lead Officer**

**Name:** Paul Worsfold

**Job title:** Area Manager

**Date:** 25/01/18, amended 13/02/18

**(f) Approved by Head of Service**

**Name:**

**Date:**

## Section 1 – Aims (See guidance):

Briefly describe the aims of the initiative:

<p><b>What are the aims?</b>          The aim of the initiative are to;</p> <ul style="list-style-type: none"> <li>- close the 4 satellite youth clubs to provide a budget saving</li> <li>- consider the views of the young people and wider stakeholders and involve them in decision making around closure and budgets</li> </ul>
<p><b>Who has responsibility?</b></p> <ul style="list-style-type: none"> <li>- Chris Sivers Director of People</li> <li>- Gavin Evans Service Manager for Swansea Young People Service's.</li> </ul>
<p><b>Who are the stakeholders?</b></p> <ul style="list-style-type: none"> <li>- Young people 11-16 years</li> <li>- Young People's families</li> <li>- Community</li> <li>- Swansea Young People Services</li> </ul>

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

Please tick which areas you have information on, in terms of service users:

Children/young people (0-18).....	<input checked="" type="checkbox"/>	Sexual orientation.....	<input type="checkbox"/>
Older people (50+).....	<input type="checkbox"/>	Gender reassignment.....	<input type="checkbox"/>
Any other age group .....	<input type="checkbox"/>	Welsh language.....	<input type="checkbox"/>
Disability .....	<input type="checkbox"/>	Poverty/social exclusion .....	<input checked="" type="checkbox"/>
Race (including refugees) .....	<input checked="" type="checkbox"/>	Carers (including young carers).....	<input type="checkbox"/>
Asylum seekers.....	<input type="checkbox"/>	Community cohesion .....	<input type="checkbox"/>
Gypsies & Travellers.....	<input checked="" type="checkbox"/>	Marriage & civil partnership .....	<input type="checkbox"/>
Religion or (non-)belief.....	<input type="checkbox"/>	Pregnancy and maternity.....	<input type="checkbox"/>
Sex.....	<input checked="" type="checkbox"/>		

Please provide a snapshot of the information you hold in relation to the protected groups above:**Morr**

### Morrison Youth Club

There are 70 Males and 55 Females on the register.

Average nightly attendance 22 young people

Age range 11-12yrs	13-15yrs	16-19yrs
9	43	72

35% of current members attending Morrison are vulnerable through the Vulnerable Assessment profile data.

The pupil vulnerability assessment profile is a tool which scores pupils – the higher the score the more vulnerable the pupil.

The Local Authority provide Schools with the data as a baseline to identify vulnerable pupils so they can provide adequate support, the data is confidential and not shared with pupils or parents. Those with a score of 11 or higher are classed as Red, scores between 6 – 11 are classed as Amber, scores below 6 or Green.

### What is assessed?

- Attendance
- Number of Exclusions
- Additional Learning Needs

### Standard Reading Age Scores

- NFER English and maths assessment
- Free school Meals
- Looked after Children
- English as an additional language
- Number of school moves in the last two years

In relation to the Traveller Community we do not currently capture this information through our data, Staff inform me that Morrision Youth Club do have a number of young people attending from the Traveller Community

We do not currently capture race within the data for the open access provision.

### St Thomas Youth Club

There are 25 Males and 17 Females on the register

Average nightly attendance 12 Young people

Age Range	11-12yrs	13-15yrs	16-19yrs
	33	5	4

12% of current members are vulnerable through the Vulnerable Assessment profile data.

There is no one from the Traveller Community attending this club

We do not currently capture race within the data for the open access provision.

### Gendros/Montana Youth Clubs

There are 27 Males and 10 Females on the register.

Average nightly attendance for Gendros, 14 young people

Average nightly attendance for Montana, 7 young people

Age range	11-12yrs	13-15yrs	16-19yrs
	23	12	2

49% of current members attending Gendros are vulnerable through the Vulnerable Assessment profile data.

55% of current members attending Montana are vulnerable through the Vulnerable Assessment profile data.

There is no one from the Traveller Community attending this club

We do not currently capture race within the data for the open access provision.

### Any actions required, e.g. to fill information gaps?

Recent changes in our Management Information System will allow us, moving forward, to capture more information on protected groups.

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

Please consider the possible impact on the different protected characteristics.

	Positive	Negative	Neutral	Needs further investigation
Children/young people (0-18)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**Morrison**

This satellite Youth club has the largest membership, so closing the club will have a negative impact due to young people not having another youth provision to attend locally. As Morrison is a large Town, the young people that attend the club come from a wider area, potentially leaving pockets of young people, spread over different communities within the Morrison area.

Potentially with the closure of Morrison, a negative impact could be that young people become socially excluded from the communities they belong to and live in, also resulting in a negative impact on community cohesion, because they do not have somewhere to socialise together, within the community they live.

The impact on the gypsies and travellers will be very small, as the majority already attend one of the youth hubs in the Morrison area.

The Nearest Youth provision to Morrison is 15mins away, in The Youth Hub in Stadwen

Young people can purchase, an all day pass, on public transport First Cymru, which would cost them £2:70.

For future users the concerns will remain the same.

### **St Thomas**

This Satellite Youth Club provision has a smaller membership than Morriston, closing the club will still have a negative impact; again they don't have any other youth provision close to them, leaving the young people to possibly congregate, within the community with nothing to do. As St Thomas is a smaller community and the young people that attend live closer to the school, where the club is currently running, this potentially could mean that the young people would congregate in one place, possible leading to Anti-social behaviour, or just being a nuisance, to other community members.

Potentially with the closure of St Thomas, a negative impact could be that young people become, socially excluded from the communities they belong too and live in, also resulting in a negative impact on community cohesion, because they haven't got somewhere to socialise together within the community they live.

There will be no impact on gypsies and travellers.

For future users the concerns will remain the same.

### **Gendros/Montana**

These satellite youth club provisions, have the lowest membership, this is because both the clubs reopened in September 17, due to staffing issues, so it's taken longer to build the membership back up. Closing the club will have far less of a negative impact, than the two satellite youth Clubs above, but will still potentially leave young people congregating over the two communities, with nothing to do, because there is no other youth provision close for them to attend.

Potentially with the closure of both Gendros/Montana, a negative impact could be that young people become, socially excluded from the communities they belong too and live in, also resulting in a negative impact on community cohesion, because they haven't got somewhere to socialise together within the community they live.

There will be no impact on gypsies and travellers.

The Nearest Youth provision to Gendros is 15mins away, in The Blaenymaes Youth Hub and evidence shows that young people from Gendros, already attend the youth hub.

Young people can purchase, an all day pass, on public transport First Cymru, which would cost them £2:70.

The nearest youth provision to Montana is 20mins away, in the Townhill youth hub.

Young people can purchase, an all day pass, on public transport First Cymru, which would cost them £2:70.

For future users the concerns will remain the same.

You need to distinguish between each youth club closure and include information on how this will impact on current service users and also future services users in each of the area.

## **Section 4 - Engagement:**

**Please consider all of your engagement activities here, e.g. participation, consultation, involvement, co-productive approaches, etc.**

**What engagement has been undertaken to support your view? How did you ensure this was accessible to all?**

A staff consultation planning evening was held at Gorseinon Youth centre led by Paul Worsfold Area team leader central west.

All satellite staff were present.

Four options were offered to the staff on consulting the young people in the satellite clubs.

**Option 1** geographical managers to undertake the initial consultation with young people at the satellite clubs.

**Option 2** to broker in the Big Conversation staff to run the consultation like previous year.

**Option 3** to consult with Big conversation staff to look at the questioning used in the past, for the satellite staff to utilise and deliver within the satellite clubs

**Option 4** for the satellite youth club leaders to plan and deliver with their staff a consultation in line with the big conversation process.

When young people were informed of the possibility of closures, they were asked by the satellite youth club leader what option they would feel more comfortable with. From the feedback from young people, It was decided by all the satellite youth club leaders, that the big conversation process, would be better coming from the staff that the young people knew and were familiar with.

**Week beginning 8<sup>th</sup> of January.**

It was agreed that the first night back in club, a conversation would be had with the young people in attendance, this would be delivered by the satellite leaders, followed by the offer of both 1-2-1 sessions, and group sessions. This giving the young people the opportunity to have their say and record their thoughts, on the potential closures of the provision.

Over two nights

**Morrison Satellite Youth Club**

Delivered the consultation through a group work process, over two sessions, focussing on the questions below.

What impact has the Club had on you?

What Impact would the closure of the club have?

Why clubs should stay open?

**St Thomas Satellite Youth Club**

Delivered the consultation through a group work process, focussing on the questions below, a petition was circulated, around the community by young people independently from the club.

What impact has the Club had on you?

What Impact would the closure of the club have?

Why clubs should stay open?

Why is club important?

How does club help you?

**Gendros/Montana**

The young people from both clubs have now had the opportunity to be consulted through 'the Big Conversation' process and their feedback is included.

which had representation of young people through school representation, from across the City and County of Swansea, the youth club budget proposals were discussed at this event, allowing young people to voice their thoughts and opinions.

**Q, Swansea Council should provide more suitable outreach programs for youth clubs by removing our satellite youth club provision at St. Thomas, Morrision, Gendros and Montana in 2018/2019 and at Friendship house in 2019/2020.**

(Young people had 3 voting tokens, and chose to vote on their top 3 issues out of 14 options. Those who did not vote on this question had other priorities. There were 78 young people who took part in this exercise)

Total votes: 15

Agree: 6

Disagree: 9

Comments: 12

- No because children need to have fun locally
- There is no need for youth clubs as most of them are unattended anyway
- Small clubs have a bigger impact
- There needs to be more youth clubs
- There should be more
- There should be more advertisements about them
- Need to raise awareness of youth clubs before closing them – I have never heard of Friendship House

Consultation on the specific budget proposals ran from 14th December 2017 to 2nd February 2018. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 1,158 people took part in the budget consultation survey.

Result relating to the proposal are below:

	Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
Provide a more suitable outreach programs for youth clubs by removing our Satellite youth club provision at St.Thomas, Morrision, Gendros and Montana in18/19 and Friendship house in 2019/20	14.7%	36.0%	34.8%	14.5%

**What did your engagement activities tell you? What feedback have you received?**

Through the consultation process the main things that young people fed back were;

- that they did not want the clubs to close because they see the club as somewhere they can go.
- It is a place where they can get advice, support and guidance from staff that they have a relationship with and can trust.
- To do activities that they want to do.
- It is a place where they can meet their friends, in a warm and friendly environment, and if it wasn't open they would be out on the streets, and may be getting into trouble in the communities where they live.

The young people fed back that closing the club would split them up from friends that they have within the community, that go to different schools or that they only see in school at break times. They would not get the chance to socialise with in the evenings with them. Young people were upset at the thought of the clubs closing sessions.

In terms of the general public perceptaiton gathered from the budget survey, views were



split in terms of the proposal with 51% agreeing and 49% disagreeing

### **How have you changed your initiative as a result?**

What has happened as a result of the consultation? What mitigation have you put in place?

Over the next few months the staff within the clubs will continue working with young people in preparation for potential closures, looking at identifying other opportunities that they may be able to access.

Within all secondary schools, through our Quality assurance sessions with school leads, Managers working with key pastoral staff and lead workers working with young people and families will be offering support information and guidance on the availability of provision within the communities.

Managers and lead workers will be sign posting young people to the Youth Hubs within their geographical areas.

Youth hubs have been fully staffed and resourced in anticipation of young people attending from the satellite youth clubs.

Young People have been informed of their nearest provision, particularly Young People Service Provision s stated above.

Pre visits arranged to introduce young people to staff and young people that already attend the youth provision.

### **Where are the Youth hubs? How do the young people get there? Where are the hubs in relations to the satellite clubs?**

The youth hubs are based at Blaenymaes, Townhill, Stadwen, Gorseinon.

**Centre Based** – The heading ‘centre based’ youth work can be further sub divided into 2 areas in Swansea, listed below each including a set of identifiers so that it is clear which type of approach is being used

#### **Hub Youth Club** (generic open access Hubs)

##### **Key Identifiers:**

1x Youth Hub Development Officer

5x Youth Club Workers

Youth Work Volunteer placements.

Run from our 4 Youth Service Hubs or from buildings where we have full time access and a fixed term lease, Gorseinon, Townhill, Stadwen, Blaenymaes.

Open minimum of 3 evenings per week for open access 6pm – 9pm

Larger target area for young people

Core funded

Fully resourced.

The Nearest Youth provision to Gendros is 15mins away, in The Blaenymaes Youth Hub and evidence shows that young people from Gendros, already attend the youth hub.

Young people can purchase, an all day pass, on public transport First Cymru, which would cost them £2:70.

The nearest youth provision to Montana is 20mins away, in the Townhill youth hub.

Young people can purchase, an all day pass, on public transport First Cymru, which would cost them £2:70.

For future users the concerns will remain the same.

You need to distinguish between each youth hub closure and include information on how this will impact on current service users and also future services users in each of the area.

--

**Any actions required (e.g. further engagement activities, mitigation to address any adverse impact, etc.):**

- Continued consultation with young people on closures
- Continued consultation with young people on budgets

**Section 5 – Other impacts:**

Please consider how the initiative might address the following issues - see the specific Section 5 Guidance

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

**Please explain any possible impact on each of the above.**

**Foster good relations between different groups**

The decision to keep or remove all satellite youth clubs would have similar impact across the affected areas as well as the young people who attend. We believe that the opportunities for young people to gain confidence in attending other community youth clubs can only serve to benefit to their social and individual development. Meeting new friends, reducing barriers and eliminating existing perceptions. We plan to arrange for staff to arrange a visit to all available youth hubs in order to relieve any anxiety or worries young people may have.

**Advance equality of opportunity between different groups:**

The decision to keep or remove all satellite youth clubs would have similar impact across the affected areas as well as the young people who attend. The Service has provided numerous opportunities for young people to have time and space to understand what may take place and why, they have given us feedback on their thoughts and feelings and this has been highlighted above. In addition to this we have informed all young people about the other possibilities in their area/ other local provisions available to them, sign post them to Young Peoples Service provisions e.g. school work, lead work, school pastoral staff etc.

**Elimination of discrimination harassment and victimisation**

The decision to keep or remove all satellite youth clubs would have similar impact across the affected areas as well as the young people who attend. Young People report that youth clubs get them off the streets, therefore if Young people were unable to attend a provision this may mean young people being out more frequently in their community leading to the possibility of Anti- Social behaviour to mitigate against the impact the service has provided numerous opportunities for young people to have time and space to understand what may take place and why, they have given us feedback on their thoughts and feelings and this has been highlighted above, in addition to this we have informed all young people about the other possibilities in their area/ other local provisions available to them, sign post them to Young Peoples Service provisions e.g. school work, lead work, school pastoral staff etc.

**Reduction of social exclusion and poverty.**

The decision to keep or remove all satellite youth clubs would have similar impact across the affected areas as well as the young people who attend. We acknowledge that any of the individuals attending could be negatively impacted by the closures of the youth satellite clubs; resulting in young people becoming, socially excluded from the communities they belong too and live in. Also, resulting in a negative impact on community cohesion, because they haven't got somewhere to socialise together within the community they live.

To reiterate the service has provided numerous opportunities for young people to have time and space to understand what may take place and why. They have given us feedback on their thoughts and feelings and this has been highlighted above. In addition to this we have informed all young people about the other possibilities in their area/ other local provisions available to them by sign posting them to Young Peoples Service provisions e.g. school work, lead work, school pastoral staff etc.

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

Staff from the satellite youth clubs have held consultations within the individual clubs. A Big consultation held by the City and County of Swansea, included young people from all of the secondary schools in Swansea, providing an opportunity to discuss the potential closures of the satellite clubs and the impact of this. Satellite youth club staff have been discussing the other opportunities young people have within the geographical areas, Youth hubs.

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

Potentially with the closure of the satellite youth clubs, it will have a negative impact and could contribute to young people becoming, socially excluded from the communities they belong too and live in. This could also result in a negative impact on community cohesion because they do not have somewhere to socialise together, within the communities they belong to and live in. We have started informing young people about the other possibilities/opportunities in their area and other local provisions available to them by sign post them to Young Peoples Service provisions e.g. school work, lead work, school pastoral staff etc. This is building young people's resilience, confidence and ability to mix with young people, staff and community members from different geographical areas across the city.

**How does the initiative support Welsh speakers and encourage use of Welsh?**

We treat people who speak Welsh no less favourably than people who speak English and we have the capacity in the service to ensure that equal opportunities in line with the Welsh language is adhered to at all times

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

To mitigate the impact of the potential closures for the satellite youth clubs,

- Within all secondary schools, through our Quality assurance sessions with school leads, Managers working with key pastoral staff and lead workers working with young people and families will be offering support information and guidance on the availability of provision within the communities.
- Managers and lead workers will be sign posting young people to the Youth Hubs within their geographical areas.
- Youth hubs have been fully staffed and resourced in anticipation of young people attending from the satellite youth clubs.
- Young People have been informed of their nearest provision, particularly Young People Service Provision s stated above.

- Pre visits arranged to introduce young people to staff and young people that already attend the youth provision.

## Section 6 - United Nations Convention on the Rights of the Child (UNCRC):

Many initiatives have an indirect impact on children and you need to consider whether the impact is positive or negative in relation to both children's rights and their best interests. Please read the UNCRC guidance before completing this section.

**Will the initiative have any impact (direct or indirect) on children and young people (think about this age group holistically e.g. disabled children, those living in poverty or from BME communities)? If not, please briefly explain your answer here and proceed to Section 7.**

The initiative will have a direct impact on young people

**All initiatives must be designed / planned in the best interests of children and young people.**

*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.*

**Please explain how you meet this requirement:**

The initiative does impact on young people and therefore the closure of the satellite clubs would not be in the best interests of young people. We are fortunate to be able to extend the offer of our Youth hubs as an alternative option.

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

To mitigate the impact of the potential closures for the satellite youth clubs, the service have strong working partnerships with every comprehensive school, across the city and county of Swansea, young people will access support via lead workers linked to these. Young people services staff will also be able to divert young people to the evolve Youth hubs, and any other youth provision that are situated across the City.

## Section 7 - Monitoring arrangements:

**Please explain the monitoring arrangements for this initiative:**

**Monitoring arrangements:**

- Further consultation with young people
- Further consultation with all stakeholders
- Quality Assurance meetings with key pastoral leads within secondary schools
- School lead Multi-agency meetings to review at risk young people in the community

**Actions:**

- To monitor the potential closures we will work closely with our partners, police, schools, and various other organisations, within the communities, which may be effected by the closures.
- We will monitor the attendances very closely from the youth hubs, to see if young people from the affected areas have started to use the facilities. If they are not, will use our links within the school to check on young people's wellbeing and progression and make sure the offer of the Hub access is provided

## Section 8 – 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

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 9 - 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 – [accesstoservices@swansea.gov.uk](mailto:accesstoservices@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.

## EIA 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
To support the young people effected by potential satellite closures through further consultation	Satellite youth club leader and staff.	As soon as the decision is made.	Young people are aware and fully kept up to date.	
Provide young people with alternatives to the closed provision.	Satellite youth club leaders and staff	Start immediately.	Young people are attending alternative provision.	
Utilise staff from the satellite youth clubs, to work sessions at the youth hubs, making the transition for young people easier.	Managers supporting Satellite youth club staff in the undertaking of this task	Fazed in as soon as possible.	Young people being registered at the Hub provision.	
Work closely with partners to monitor the situation moving forward, utilising key partners in secondary schools, multi-agency meetings and quality assurance 'check ins' on those young people effected by the potential closures	Managers, lead workers, and youth Hub development officers	Consultations, meeting with partners, on a staged approach	Report completed.	
Arrange visits to relieve young people's anxieties and perceptions on the alternative clubs/communities	Youth Hub Development Officers	Before April 2018	Visit feedback via report.	

PONTYBRENIN PRIMARY SCHOOL  
HEADTEACHER/PRIFATHRO: Mr P S Williams



Glyn Rhosyn  
Gorseinon  
SWANSEA  
SA4 6HX  
Tel/Ffôn: 01792 891151  
01792 891053

Email/E-bost: [Pontybrenin.Primary@swansea-edunet.gov.uk](mailto:Pontybrenin.Primary@swansea-edunet.gov.uk)  
Web Site/Gwefan: [www.pontybreninprimary.com](http://www.pontybreninprimary.com)

Dear Councillor Stewart,

The school budget forum formally responds to the education budget proposed for April 2018-March 2019 with the following observations:

1. Swansea schools continue to provide excellent value for money and have above average ESTYN inspections compared to any other local authority within the education consortium, even though the monies distributed to Swansea schools compare unfavourably to other local authorities in the consortium and indeed across Wales.

The forum understands that part of our poor funding position, reflects the nature of the formula used by Welsh Government to allocate Revenue Support Grant to Councils and the way that this is heavily weighted to local authorities where 'sparsity' is a strong factor.

This funding position seems to be further exacerbated by the way in which grant funding is allocated to authorities through the regional consortia, as this again seems to disadvantage schools in urban settings. In simplistic terms, Local authorities such as Swansea and Neath Port Talbot who are more urban in nature get less money per pupil than the other four Local authority regions in the consortia.

This situation has a negative influence on providing a broad and balanced curriculum. For example, a school in Carmarthenshire with 600 pupils will receive far more money than a similar sized school in Swansea. This is due to the 'perceived' need to give greater amounts to schools where the geographical landscape is sparse i.e. Rural settings

The forum appreciates and acknowledges that the leader of learning in the cabinet and the chief education officer are working hard to change the funding formula that the consortium adopts. However when you have six chief education officers, four of whom represent local authorities that are 'sparse' in nature, the forum wonders how successful the two representatives of the urban authorities are going to be in changing the formula funding to a more equitable per pupil formula across the regions in the future. The forum acknowledges the level of challenge faced to bring about a change and has every faith that they will continue to face up to this challenge and try to elicit a positive change for Swansea.

It is the forums understanding that there is a move to a more centrally defined future structure for ERW across the six local authorities with less direct involvement of the local authorities.

This is a significant concern for the Forum as is anticipated that the financial situation for Swansea is going to get worse. This is maybe something that needs investigating and the forum is happy to use any resources at it's disposal to help ensure a better settlement for Swansea.

2. Head Teacher colleagues at the School Budget Forum recognise that the Local Authority is in an invidious position when setting a budget for education. They appreciate that funding levels devolved from Westminster to Welsh Government are far from generous, and that in turn the funding delegated to Swansea is not enough to cover the significant demands and cost pressures the Authority's services face. They also realise that it would be impossible for the Council to address all of Education's needs without significantly cutting funding to other services to a level that would mean they could not function, let alone function effectively.

Nevertheless, whilst there are difficult choices for the cabinet to make, it is the Budget Forum's role to advocate for Education in Swansea and to raise awareness of how the potential decisions Councillors might make, will affect schools and their communities. The council is heartened to hear Councillors say that they are committed to Education, and that the relative prioritisation of school budgets is very much welcomed, however, given some of the recent events, there are questions as to how deeply embedded and principled the commitment is.

Do we want our children in education to have more limited opportunities to find and develop their talents in schools because head teachers cannot offer the same opportunities due to financial restrictions?

Whilst the Forum supports the Council's bid to be recognised as a 'City of Culture', the forum would consider that the culture should be recognised as a culture of learning, where there are high expectations for the young people of Swansea to succeed, backed up with strong financial investment by the council to schools and high quality learning and creative opportunities.

The forum recognises that the council's desire to generate a local economy that is attractive to large I.T. businesses, who will invest their money into a skilled workforce, is a bold and positive move, but if we are to be at the forefront of new technological innovations, we will need a workforce that is local and capable to fill these essential posts. Only if we invest in education and schools will this result in ambitious, capable, enterprising and healthy constituents of the future.

As a Forum, we do not accept the majority of constituents are more interested in refuse collections and street lights staying on. We feel the constituents want the younger members of their family to prosper and achieve success through apprenticeships and qualifications that cannot be taken away from them, but will be their passports for success in their lives. If the Council's consultation with constituents contained more focussed questions, relating to this and its prioritisation, perhaps the responses would see education given a higher status in responses.

As well as considering future potential, the forum believes that with diminishing real terms financial resources, the current excellent performance of schools is unsustainable in the short and long term future. Many schools have been projected to have a deficit budget in 2018/2019 and anticipate severe financial difficulty. Schools are already cutting back on staff



and in turn, creative learning programmes, this can only impact negatively on the excellent work being done and the standards achieved.

3. Your recent presentation to the head teachers of Swansea, proposing a relative prioritisation of education was welcomed by all stakeholders. You stated at the time that schools could be assured of a £2.2 m cash increase in the delegated schools budget and that if there was any additional funding in the final local Government finance settlement then this would also be passed on fully to schools. You hoped at the time that this might bring the cash increase to around £3.5m. So it is pleasing to see that in your recent media interviews <http://www.itv.com/news/wales/2018-01-11/headteachers-warn-schools-in-wales-are-at-breaking-point-due-to-budget-cuts/> you stated that schools can expect to receive additional funding of £3.5m.

The Forum presumes that this amount reflects the level of additional funding received in the final financial settlement and honours the commitment you gave at the Headteacher meeting to pass on any such additional funding. The forum would simply ask for confirmation that schools will indeed see a £3.5m cash increase in the delegated schools budget next year.

However, I have been asked to raise with you the fact that other comments made in the same media interview have raised concerns.

You referred to there being 'no cuts in education.' Whilst this may well be the case in terms of cash cuts, this is certainly not the case in real terms. Schools will still need to cover the increased pension contributions expected of employers as well as the cost of the Local Authority's generous pay award offered to LSA's and the associated on-costs that will go with this award. There will undoubtedly also be other costs to be covered in addition to these. Whilst the forum recognises that a £3.5 m cash increase in the delegated schools budget is considerably more than the funding that might be expected following the financial settlement provided by the Welsh Government to Swansea, it nevertheless would still represent a real terms cut for schools once all the cost pressures are considered. These amount to well in excess of £4m, or 3% as we understand it, whereas even the higher £3.5m cash increase you have stated would be lower at around 2.5% for all schools across Swansea.

With regard to the 'Fair Funding Campaign', it was hoped that the message sent out to parents from all schools in Swansea be communicated supportively by the council and that your previous commitment to 'carefully manage future media messages' would be respected and enacted. As such we believed that there was a collegiate point of view agreed professionally between schools and the council, and this would be conveyed by public support during media coverage. However, in the interview you gave, this does not appear to be the case and many have found this to be disappointing.

As broadcast, your interview appeared to be suggesting that the funding issues highlighted by the 'National Fair Funding Campaign' did not apply to Swansea. However, whilst we recognise the clear relative prioritisation of Education budgets in recent years, schools nevertheless continue to face significant real terms reductions in funding and considerable financial challenges. In the current financial year, the funding of schools in Swansea is still ranked as 18 of 22 Local Authorities across Wales. Schools in many other authorities continue to be funded at a higher level, and so the campaign for fair funding is most relevant to Swansea schools. This position continues to be a disappointing one.

It may not have been your intention in the interview which you gave in the morning at county hall, to give somewhat conflicting messages, your responses certainly give a different perspective to that given to parents at the fair funding campaign on the same night. Many parents were pleased to see you at the meeting and some recorded on their mobile phones your public conversations with the audience on the fair funding campaign.

Until now school leaders have embraced the improved communication and frank discussions with officers and the cabinet in moving education forward together as a Local Authority. However, the impression given by the interview, coupled with the surprise announcement of car parking charges in schools, i.e. no consultation with the groups who have worked hard with the authority to make meaningful changes to funding and spending, has eroded confidence and trust that we are working together to solve the challenges faced by all.

Whilst appreciating that perhaps the intention of introducing a parking fee in schools is intended to generate income to schools, it would seem that the possible impact of such a move has not been thought through. As schools have delegated funding and powers to decide on expenditure and income generation, should this not be a Governing body and not a Council decision?

Moreover, the forum would not consider this to be deliverable in practice.

Forum concerns include the fact that, where it is an option, staff are likely to use public highways where this is an option, causing issues for local residents. Schools are likely to see an increase in the cost of travel expense claims, in fact resulting in increased expenditure. The fee will also be seen as a tax on working in school with the loss of goodwill.

The Forum also asks if it has been confirmed that it would not conflict with national terms and conditions? How will the money be collected and passed to schools? Also, as indicated in 67 head teacher replies to the school budget forum in November, if employees within schools were afforded the same rights as other employees (agile working/ flexitime) of the council, they would not argue with the car charge. If the council are expecting staff to pay for parking in line with other services, can schools expect that repairs will be paid for in the same way that those who work in the main buildings are not expected to contribute to repairs of the Civic Centre.

These are just a few practical issues that do not appear to have been adequately considered. The forum would also seek confirmation and on-going evidence that such a charge would be extended to all council staff and not just school based staff, as you assured headteachers at the budget meeting.

Delegation of powers means total delegation of powers. It is important to note that none of the other 21 local authorities have proposed such a scheme as a local authority whole scale directive.

In conclusion, it is important to note that the Joint Finance Group has regularly met this year with Local Authority Officers to analyse the way in which all schools are funded through the Swansea schools funding formula, so that it is based on strong principles and as far as can be achieved, meets the needs of the pupils in our care. This level of understanding I feel is sector leading across the consortium and one that could help the consortium look at their own funding principles in the future.

It is also noteworthy is the fact that service level agreements (SLA's) have been closely scrutinised with significant challenge given to the managers of each service. So whilst charges to schools have significantly increased as a whole with pay and other cost pressures, the close scrutiny has identified reductions in costs of a number of service level agreements which have totalled over £69000. This has brought about efficiency savings and effective working for schools and Local Authority departments alike. An example of good practice must continue in the future, as it has proved beneficial to all schools.

The forum would wish to invite you to the next meeting, but mindful that this is quite a few weeks away, would suggest that these concerns could be considered further as part of the forthcoming Education Strategy Group agenda.

Lastly, I hope the details provided in the forums response are carefully considered and that financial investment in Swansea schools does not portray a 'graveyard of ambition' but a forward thinking council that gives Swansea schools first priority, not relative priority.

Yours Faithfully,

Philip Williams

( Head teacher and Chair of the School Budget Forum )

## Revenue Budget 2018/2019

**Resources Directorate**

	<b>ORIGINAL BUDGET 2017/2018 £</b>	<b>ORIGINAL BUDGET 2018/2019 £</b>
<b>Resources Directorate</b>		
Resources Directorate	166,200	215,300
Central Training	284,200	230,700
Corporate Customer Services	982,500	1,031,200
Corporate Training	273,800	246,700
Welsh Translation Unit	256,200	107,200
	<b>1,962,900</b>	<b>1,831,100</b>
<b>Head of Commercial Services</b>		
Commercial Team & Procurement	638,700	670,200
	<b>638,700</b>	<b>670,200</b>
<b>Head of Comms &amp; Customer Engagement</b>		
Access to Services	265,000	239,300
Communications	183,700	211,900
Corporate Marketing	297,500	330,600
Corporate Mgt Team Support	358,800	366,900
Design and Print	222,200	240,200
Commissioning Review	-28,000	-28,000
Senior Staff Reductions	-84,000	-84,000
	<b>1,215,200</b>	<b>1,276,900</b>
<b>Head of Financial Services &amp; Service Centre</b>		
Audit	666,100	620,500
Benefits	23,425,900	23,915,700
Finance DMT	344,500	373,900
Financial Services	1,408,800	1,396,500
Pensions	-41,000	-23,000
Performance and Delivery	260,600	281,700
Revenues	274,200	471,100
Service Centre	1,979,300	2,044,000
Treasury and Technical	518,100	531,300
Commissioning Review	15,000	15,000
Senior Staff Reductions	-147,000	0
	<b>28,704,500</b>	<b>29,626,700</b>

## Revenue Budget 2018/2019

# Resources Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Head of Human Resources &amp; OD</b>		
Health and Safety	938,100	1,017,600
Human Resources	638,100	622,700
Commissioning Review	-56,000	-56,000
Senior Staff Reductions	-175,000	-93,000
	<b>1,345,200</b>	<b>1,491,300</b>
<b>Head of Digital Services &amp; Transformation</b>		
Departmental Management Team	356,600	308,300
Digital Services & Business Improvement	3,413,000	3,088,300
Digital Solutions & Infrastructure	3,401,000	3,901,500
Commissioning Review	-9,000	0
Senior Staff Reductions	-152,000	0
	<b>7,009,600</b>	<b>7,298,100</b>
<b>Head of Legal &amp; Democratic Services</b>		
Complaints	224,100	231,300
Coroners	482,500	624,800
Democratic Services	2,700,100	2,501,000
Information Governance Unit	0	40,000
Legal Services	1,818,000	1,884,100
Overview and Scrutiny Unit	217,600	224,800
Commissioning Review	-19,000	-19,000
	<b>5,423,300</b>	<b>5,487,000</b>
<b>Sustainable Swansea-Corporate Directorate</b>		
Workstreams	-2,873,900	-5,597,900
Senior Staff Reductions	-177,000	-177,000
	<b>-3,050,900</b>	<b>-5,774,900</b>
<b>Total Resources Directorate</b>	<b>43,248,500</b>	<b>41,906,400</b>
Rebasing : Inter Service transfers/virements	484,700	
Rebasing : 2018/19 funding/responsibilities	0	
<b>Total Resources Directorate</b>	<b>43,733,200</b>	

## Revenue Budget 2018/2019

# People Directorate - Poverty & Prevention

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Head of Poverty &amp; Prevention</b>		
Adult Prosperity & Wellbeing Service	1,086,500	960,400
Early Intervention Services	788,300	1,035,900
Partnership Performance & Commissioning	1,889,500	2,164,800
Poverty and Prevention	422,300	237,000
Young Peoples Services	2,091,700	2,034,900
Senior Staff Reductions 17/18	-146,000	0
Poverty & Prevention Staffing Savings	0	-55,000
	<b>6,132,300</b>	<b>6,378,000</b>
<b>Total People Directorate - Poverty &amp; Prevention</b>	<b>6,132,300</b>	<b>6,378,000</b>
Rebasing : Inter Service transfers/virements	149,700	
Rebasing : 2018/19 funding/responsibilities	0	
<b>Total People Directorate - Poverty &amp; Prevention</b>	<b>6,282,000</b>	

## Revenue Budget 2018/2019

# People Directorate - Social Services

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Head of Adult Services</b>		
Central Services	436,000	530,400
Service Strategy and Regulation	660,100	716,050
Disability Residential & Day Care	6,994,000	7,036,250
Learning Disabilities & Mental Health Support	11,945,400	17,849,150
Integrated Services - Domiciliary Care & Hubs	18,604,900	19,626,250
Integrated Services - External Residential	13,307,100	14,494,100
Integrated Services - Other	2,473,900	2,979,000
Older Persons Residential and Day Care	6,711,700	6,981,150
Safeguarding/Wellbeing	3,525,200	2,225,050
Support	2,738,000	3,665,400
Commissioning Review	-139,000	-669,000
Senior Staff Reductions	-362,000	-457,400
	<b>66,895,300</b>	<b>74,976,400</b>
<b>Head of Child &amp; Family Services</b>		
Accommodation Services	17,289,000	16,411,550
Aftercare	894,900	849,000
Assessment and Care Management	11,546,200	12,888,750
Family Support Services	3,397,400	3,475,800
Regional Services	2,141,900	2,177,150
Residential Care-Internal Provision	519,700	525,000
Commissioning Review	-11,500	0
Senior Staff Reductions	-402,000	-228,650
	<b>35,375,600</b>	<b>36,098,600</b>
<b>Total People Directorate - Social Services</b>	<b>102,270,900</b>	<b>111,075,000</b>
Rebasing : Inter Service transfers/virements	-951,500	
Rebasing : 2018/19 funding/responsibilities	7,057,000	
<b>Total People Directorate - Social Services</b>	<b>108,376,400</b>	

## Revenue Budget 2018/2019

### People Directorate - Education

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Delegated Schools</b>		
School Cost Centres	143,607,660	147,013,217
	<b>143,607,660</b>	<b>147,013,217</b>
<b>Chief Education Officer</b>		
Mgt & Admin Effectiveness	101,300	129,900
Schools At Risk	240,056	109,056
SIPD	17,000	0
WJEC Subscriptions	36,000	36,000
	<b>394,356</b>	<b>274,956</b>
<b>Head of Strategic Planning Improvement Group</b>		
Management Systems Unit	176,200	184,400
Improvement and Monitoring Unit	133,000	95,200
Broadband & Cloud Technology	410,000	400,000
Learning Portal Team	80,500	48,500
Stakeholder Engagement Unit	215,300	196,800
	<b>1,015,000</b>	<b>924,900</b>
<b>Head of Achievement &amp; Partnership Service</b>		
Education Improvement Service	1,331,300	1,178,100
Welsh Service	45,000	39,600
	<b>1,376,300</b>	<b>1,217,700</b>



## Revenue Budget 2018/2019

### People Directorate - Education

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Head of Vulnerable Learner Service</b>		
Head of Learner Support Service	115,200	103,300
Behaviour & Learning Support	1,113,800	1,117,000
Home Tuition Service	489,000	341,500
One To One Support	796,300	735,573
One To One Support Secondary	395,800	0
Psychology Service	726,400	702,600
Recoupment/Out of County	1,780,000	1,750,000
SEN Statementing & Support	3,165,800	3,156,600
EOTAS	2,927,400	3,240,200
Pupil Referral Units	1,687,300	1,807,800
School Transport - Special	806,900	1,094,200
Catering Staff Canteen	0	0
Cleaning Services	120,300	119,760
Free Breakfast	588,700	519,700
School Meals Service	-92,700	-41,900
Contr. To Swansea Safeguarding Children Board	14,000	14,000
Miscellaneous Grants	0	67,400
School And Governor Unit	384,500	394,000
School Transport	5,557,700	5,682,700
School Transport Continuing Education	561,200	561,200
Welfare Service	536,100	621,200
Youth Offending Team	55,300	0
Ethnic Minority Achievement Unit	98,300	949,000
Swansea Music Service	129,200	142,600
Senior Staff Reductions 17/18	-98,000	0
	<b>21,858,500</b>	<b>23,078,433</b>

## Revenue Budget 2018/2019

### People Directorate - Education

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Head of Education Planning Resource Service</b>		
Additional School Support	78,100	78,200
Capital Planning & Delivery Unit	352,085	377,725
Continuing Education & Pensions	500,900	501,000
DfES Post 16	-5,748,745	-5,207,945
Education Improvement Grant for Schools	719,744	703,418
Empty Properties	15,600	16,800
Funding And Information Unit	82,700	91,400
Health & Safety	100,000	84,500
Management & Admin-Planning & Resources	100,000	101,700
Non Delegated Primary - Pensions, Insurance & Public Duties	2,755,300	2,295,426
Non Delegated Secondary - Pensions, Insurance & Public Duties	3,259,600	3,155,900
Non Delegated Special - Pensions, Insurance & Public Duties	40,500	41,600
Pupil Deprivation Grant	-6,646,700	-7,011,930
Retained DfES Post 16 Funding	115,000	75,000
	<b>-4,275,916</b>	<b>-4,697,206</b>
<b>Total People Directorate - Education</b>	<b>163,975,900</b>	<b>167,812,000</b>
Rebasing : Inter Service transfers/virements	139,900	
Rebasing : 2018/19 funding/responsibilities	0	
<b>Total People Directorate - Education</b>	<b>164,115,800</b>	

## Revenue Budget 2018/2019

### Place Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Head of Corporate Building &amp; Property Services</b>		
Facilities Management	3,462,200	2,597,200
Strategic Estates Properties	-2,179,400	-1,751,000
Property Preventative Maintenance	3,540,000	3,464,300
Corporate Building Services Trading	1,496,800	1,727,900
Community Budgets	676,400	720,400
Senior Staff Reductions 17/18	-90,000	0
	<b>6,906,000</b>	<b>6,758,800</b>
<b>Head of Highways &amp; Transportation</b>		
Car Parking and Enforcement	-2,266,800	-2,937,300
Transportation	4,403,000	4,730,600
Traffic Management	991,100	1,079,600
Central Transport	-617,900	-657,300
Engineering	605,600	477,600
Highways	6,743,400	7,067,500
Swansea Marina	-75,300	-81,400
Directorate and Other Costs	471,200	175,500
Senior Staff Reductions 17/18	-207,000	0
	<b>10,047,300</b>	<b>9,854,800</b>
<b>Head of Waste Management &amp; Parks</b>		
Household Waste Recycling Centres	723,900	748,800
Parks	4,594,100	5,101,000
Recycling	1,947,300	4,230,400
Residual Disposal/Tir John	3,682,800	3,688,600
Residual Waste Collection	2,832,900	2,948,200
Trade Refuse	-193,000	-192,700
Neighbourhood Working	3,978,300	4,463,500
Directorate and Other Costs	922,000	856,400
Senior Staff Reductions 17/18	-70,000	0
	<b>18,418,300</b>	<b>21,844,200</b>
<b>Place Directorate</b>		
Place Directorate	360,150	591,800
Workstreams	-627,700	-1,365,000
	<b>-267,550</b>	<b>-773,200</b>

# Revenue Budget 2018/2019

## Place Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Head of Cultural Services</b>		
Archives	257,700	266,500
Arts	2,962,750	2,489,100
Community Buildings	218,900	205,800
Development and Outreach	218,800	233,900
Libraries	2,970,400	3,067,700
Sport and Recreation	1,811,900	2,596,400
Tourism, Marketing and Events	1,571,500	1,572,400
Directorate and Other Costs	382,700	428,200
Senior Staff Reductions 17/18	-174,000	0
	<b>10,220,650</b>	<b>10,860,000</b>
<b>Head of Planning &amp; City Regeneration</b>		
Business Support	385,419	393,519
Property Development	636,298	581,998
City Centre Management and Indoor Market	-256,900	-295,500
European Team	0	0
Major Projects, Design and Conservation	123,500	105,100
Planning Control	675,700	614,900
Planning Policy and Environment	1,069,000	1,057,400
Directorate and Other Costs	41,583	290,683
Senior Staff Reductions 17/18	-94,000	0
	<b>2,580,600</b>	<b>2,748,100</b>
<b>Head of Housing and Public Protection</b>		
Building Regulations	99,700	120,100
Burials and Cremations	-560,200	-653,200
Food Safety	580,600	614,900
Licensing	-96,300	-31,400
Pollution	719,300	750,800
Public Health	786,700	827,600
Registrars	17,900	21,100
Trading Standards	586,200	613,300
Housing Grants to the Independent Sector	40,500	40,500
Housing Renewals and Adaptations	144,800	216,500
Housing Strategy, Advice and Support	1,343,100	2,055,500
Other Housing Services	690,700	472,800
Directorate and Other Costs	269,500	263,800
Senior Staff Reductions 17/18	-87,000	0
	<b>4,535,500</b>	<b>5,312,300</b>

## Revenue Budget 2018/2019

### Place Directorate

	ORIGINAL BUDGET 2017/2018 £	ORIGINAL BUDGET 2018/2019 £
<b>Total Place Directorate</b>	<b>52,440,800</b>	<b>56,605,000</b>
Rebasing : Inter Service transfers/virements	177,200	
Rebasing : 2018/19 funding/responsibilities	2,516,000	
<b>Total Place Directorate</b>	<b>55,134,000</b>	



## Report of the Section 151 Officer

Council – 1 March 2018

### Capital Budget & Programme 2017/18- 2023/24

<b>Purpose:</b>	This report proposes a revised capital budget for 2017/18 and a capital budget for 2018/19 - 2021/22 (2023/24 for Band B schools)
<b>Policy framework:</b>	None
<b>Consultation:</b>	Cabinet Members, Corporate Management Team (CMT), Legal, Finance and Access to Services
<b>Recommendation:</b>	The revised capital budget for 2017/18 and a capital budget for 2018/19 – 2023/24 as detailed in appendices A, B C, D, E and F is approved.
<b>Report Author:</b>	Ben Smith
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1 Introduction

1.1 This report details:

- Revised capital expenditure and financing proposals for 2017/18
- Capital expenditure and financing proposals for 2018/19 – 2021/22
- Extended to 2023/24 in relation to Band B schools (to fit Welsh Government timeframes)

1.2 Capital spending and funding proposals in relation to the Housing Revenue Account (HRA) are detailed in a separate report to be considered.

1.3 The budget proposals are detailed in appendices to this report as follows:

Appendix A Summary of General Fund Capital Expenditure and Financing 2017/18 – 2023/24

Appendix B C21st Schools Programme Band A Capital Expenditure and Financing 2017/18 – 2018/19

Appendix C C21st Schools Programme Band B Capital Expenditure and Financing 2017/18 – 2023/24

Appendix D Material changes to the original 2017/18 budget

Appendix E General Fund Capital Budget 2017/18 – 2021/22

Appendix F Total General Fund Capital Budget (including C21st Schools)

- 1.4 The pre-existing capital programme requires significant supported borrowing of £43.713m over its lifetime to enable completion.
- 1.5 The schedule outlined in Appendix D outlines the material changes to the 2017/18 approved capital programme.
- 1.6 Appendices B, C and E outline an ambitious programme of capital investment including:
  - a significant continuing programme of IT investment across CCS
  - the continued investment in Swansea Schools, including the completion of Band A Schools and implementing over several further years the Band B phase of the 21<sup>st</sup> Century Schools Programme
- 1.7 The additional capital investment identified above will attract significant grant funding ( 21<sup>st</sup> Century Schools and Swansea City Region Deal), however the programme will still require a material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.
- 1.8 Notwithstanding this scale of ambition, each major scheme will, as is always the case, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate, and unsupported borrowing will be undertaken on a phased basis within the overall envelope for affordability which is considered over the medium to long term to be up to £200m.
- 1.9 Furthermore it has to be recognised that the scale of funding proposed to be injected by this Council, leverages in significant additional sums:
  - over £90m of Welsh Government funding for Band B schools
  - a City Deal, worth, across the region, around £1.3 billion.
- 1.10 The Swansea City & Waterfront Digital District project is one of eleven projects comprising the wider City Deal. It has been developed by the Council, in partnership with University of Wales Trinity Saint David (UWTSD). The core aim of the project is to create a strong and vibrant digital city that will be the economic engine of the wider city region. There are 3 main components: a Box Village and Innovation Precinct project (led by UWTSD); a Digital Village, which includes 100,000 sq. ft. of flexible and affordable office accommodation for tech businesses (led by the Council); and a Digital Square and Arena which will deliver a 3,500 seat Digital Arena and associated developments (also led by the Council). A 5 case business model has been prepared which describes the project in great detail,

including the benefits, costs, and income derived. This information has been submitted to UK and Welsh Governments for their consideration. The Digital Square forms part of the Swansea Central redevelopment with Outline Planning Consent granted last year. An Arena operator has been procured with legal documentation to be signed on 2<sup>nd</sup> February 2018. A two stage contractor procurement exercise has also commenced with selection of a successful contractor for stage 1 programmed for May 2018. Following approval this will allow the Council to work with them then to firm up the final cost of the scheme, and subject to final authorisation and contracts, to start on site before the end of this year. With regard to Digital Village, Council officers are currently analysing bids for appointing a consultant team to review the outline design of the Tech Industries Employment Hub building, progress to RIBA Stage 4 and deliver the project to practical completion.

## **2 Capital Budget 2017/18-2023/24**

- 2.1 Spending in the current year is forecast to be £61.284 m (GF £52.046m plus Schools programme £9.238m) – an increase of £11.012 m (see Appendix D) compared with the original estimate of £50.272 m.

This increase is due to the following:

- the addition of grant funded and non-grant funded schemes after Council approved the capital budget in February 2017, together with increases in the cost of schemes following detailed design and planning.
- the net balance of schemes carried over from 2016/17 into 2017/18 and schemes carried over from 2017/18 into 2018/19.

- 2.2 The proposed capital programme 2017/18 – 2023/24 and associated financing is set out below in 2.3 for The General Fund Programme and 2.4 for The 21<sup>st</sup> Century Schools Programme :

### **2.3 The General Fund Programme and Financing 2017/18 -2021/22**

2.3.1 The General Fund programme is summarised in Appendix A and detailed in Appendix E. The attached proposals exclude the Housing Revenue Account capital budget which is detailed in a separate report.

2.3.2 The Capital Budget report considered by Council on 23<sup>rd</sup> February 2017 outlined an unsupported borrowing requirement in the four year forward programme of £37.899 m made up of £12.98 m for the 21<sup>st</sup> Century Schools programme and £24.919 m for the rest of the General Fund capital programme.

2.3.3 The updated General Fund programme is summarised in Appendix A, B and C, in addition, Appendix F summarises the total General Fund programme including C21<sup>st</sup> Schools. This highlights a 4 year forward programme expenditure of £318.283m (Appendix F), including Band B Schools to 2023/24; identifying an unsupported borrowing requirement of potentially £98.252m (Appendix A). This reflects a significant increase in the unsupported borrowing requirement of the capital programme. The capital planning envelope for unsupported borrowing requires significant revenue funding to service the finance and this is set out in both the reports on the revenue budget and the medium term financial plan.

2.3.4 Phased, considered affordable borrowing, within the overall planning envelope will develop over the next 5-7 years and, in the case of the



funding, from the City Deal, the next 15 years. The major schemes added to the General Fund Capital Programme are as follows:

- 2.3.5
- Agile and Mobile IT equipment £10.4m
  - City Centre schemes ( Hafod HLF, indoor market & castle Sq) £2.5m
  - Highways £1.4m additional funding per annum

2.3.6 As outlined above, the material additions in this year's GF capital programme do not include the proposed Swansea Central City Centre Development – Swansea Central and the projects associated with the Swansea City Region Deal. As the schemes develop and budgets are firmed up, the required corporate governance requirements shall be observed with the submission of individual FPR7 reports.

2.3.7 Although there is significant accompanying grant funding and City Region Deal funding for these schemes, there is still a substantial unsupported borrowing requirement to underwrite these schemes.

2.4 Schools Programme and Financing 2017/18 -2023/24

2.4.1 The Welsh Government announced its support for an agreed programme of school building improvements in early 2012. This programme – termed the 21<sup>st</sup> Century Schools Programme – is funded by a 50% contribution from the Welsh Government and a 50% contribution from the Council towards a programme Band A total of £51.46m (£51.31m C21st programme plus £150k Challenge Cymru funding). The initial 2 phases, phase 1 and phase 2 of Band A projects are in progress or complete.

<b>C21st School Schemes (Band A)</b>		
<b>Phase 1 Schemes</b>	£'000	
Burlais Primary new school build	8,035	Completed
Gowerton Primary new school build	6,706	Completed
YGG Lon Las rebuild and remodel	9,844	Completed
Glyncollen Primary improvements	750	Completed
Newton Primary improvements	650	Completed
	<u>25,985</u>	
<b>Phase 2 Schemes</b>		
Pentrehafod remodelling	15,076	Progressing to plan Full business case approved by WG
Gorseinon Primary new school build	6,450	Completed
Pentre Graig Primary improvements	2,724	Completed
YGG Gywr improvements	1,205	Completed
Special Schools review	20	Uncommitted
	<u>25,475</u>	
<b>Total Phase 1 and 2 (includes £150k Challenge Cymru)</b>	51,460	

2.4.2 The total estimated cost of the Band B programme envelope is £141.7m (excluding the potential aided sector project which is assumed to require no Council contribution). Of this total, £91m is from traditional capital funding, requiring (after allowance for realisable capital and other receipts) a net local funding requirement of £38m. The remaining £50m is proposed to be delivered through revenue funding (Mutual Investment Model), which would require no local capital funding contribution but incur an annual charge once the accommodation and facilities are completed. An equivalent local share of the capital cost would be £12.6m although the 25% local contribution would apply to the annual revenue charge

## 2.5 Financing the Capital Programme

2.5.1 The financing for the General Fund capital programme identified in 2.3 and 2.4 is detailed in Appendix A and requires unsupported borrowing of £98.252m towards forecast expenditure of £318.283m (Appendix F).

2.5.2 It should be noted that efforts to increase and maximize grants, contributions and capital receipts in order to minimize borrowing requirements are pursued throughout the year. Included within the programme are a number of schemes which are self-financing. Indeed there should be a clear strategy for the Council to maximize external investment in any proposals and to seek to target its own investment into areas which offer a return commensurate with or greater than financing costs in order to minimise the Revenue impact of any additional borrowing requirements. In the absence of such a strategy then it has to be realised that any capital expenditure that leads to an overall net increase in borrowing costs brings with it the potential to impact on an already challenging revenue budget scenario going forward.

2.5.3 It is recognized that a forecast capital financing requirement of £98.252m is significant. The revenue implications of this are identified in the revenue budget and medium term financial plan on this agenda. The above programme is affordable and sustainable throughout the lifetime of the medium term financial plan subject to the risks highlighted below.

2.5.4 It should be noted that the Council makes an average annual budget provision to repay debt of approximately £14.1m (2016/17) in line with its existing Minimum Revenue Provision (MRP) Policy. The MRP policy shall be reviewed in 2018/19. The Council has taken advantage of the low interest rate and volatility in the market to externalise some of its borrowing requirement in year, though the overall strategy is to mitigate the impact of interest charges by utilising internal resources. However, noting the significant capital financing required, it is forecast that in line with good Treasury Management practice and being mindful of interest rate movements and Cashflow requirements, it is certain that actual external borrowing shall increase in the short/medium term with the associated increase in interest payments.

## 3 **Future Schemes**

3.1 The Capital programme as outlined in this report reflects known planned expenditure and financing as at the date of the report.

3.2 Future discretionary projects and schemes shall only be incorporated if they are self-financing or the associated financing costs can be supported from the revenue budget affordably and sustainably.

## **4 Risks**

4.1 There are significant risks which may require a future revision of the attached six year capital budget. In particular:

- urgent capital maintenance requirements
- unforeseen costs e.g. failure of retaining walls
- failing to achieve the General Fund capital receipts target
- capital financing charges arising from additional unsupported borrowing which cannot be met from existing revenue budgets.
- additional costs arising from any other additions to the Capital programme
- increased borrowing costs

Mitigation in respect of the latter four risks will be achieved by continual review and consideration of individual business cases for the larger schemes.

## **5 Legal Implications**

5.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

## **6 Prudential Code**

6.1 Under the Local Government Act 2003 and subsequent regulations, a local authority is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when setting its budget and must determine and keep under review how much it can afford to borrow.

6.2 A further report on the agenda will detail what is required under the requirement of the Code and set out in detail Prudential Borrowing Indicators for 2018/19 and subsequent years.

## **7 Equalities Implications**

7.1 There are no equalities implications contained within this report but individual projects will be subject to the EIA process where required.

**Background Papers:** None

### **Appendices:**

- Appendix A Summary of General Fund Capital Expenditure and Financing 2017/18 – 2023/24
- Appendix B C21st Schools Programme Band A Capital Expenditure and Financing 2017/18 – 2018/19
- Appendix C C21st Schools Programme Band B Capital Expenditure and Financing 2017/18 – 2023/24
- Appendix D Material changes to the 2017/18 Capital Budget
- Appendix E General Fund Capital Budget 2017/18 – 2021/22
- Appendix F Total General Fund Capital Budget (including C21st Schools)

**SUMMARY OF GENERAL FUND CAPITAL BUDGET AND FINANCING 2017/18 - 2021/22 (plus C21st Schools Band B to 2023/24)**

	2017/18	2018/19	2019/20	2020/21	2021/22	2 years 2023/24	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>DIRECTORATE</b>							
Resources	2,785	4,845	2,100	1,575	2,130		13,435
People	3,001		1,000	1,000	1,309		6,310
Place	46,260	33,424	21,377	14,530	13,975		129,566
<b>TOTAL EXPENDITURE</b>	<b>52,046</b>	<b>38,269</b>	<b>24,477</b>	<b>17,105</b>	<b>17,414</b>		<b>149,311</b>
<b>FINANCED BY:</b>							
<b>Borrowing:</b>							
Welsh Government Supported Borrowing	6,365	6,398	6,398	6,398	6,398		31,957
<b>Grants and Contributions:</b>							
Welsh Government General Capital Grant	3,873	3,894	3,894	3,894	3,894		19,449
Welsh Government specific grants	8,625						8,625
European grants	512	1,631	1,880	179			4,202
Other Grants	667						667
Contributions	1,876	62					1,938
<b>Capital Receipts:</b>							
Earmarked Capital receipts	1,974	679					2,653
General Capital receipts	3,242	9,786	8,718				21,746
<b>Revenue and Reserve Contributions (including provision for waste schemes)</b>	5,418	4,868	1,000				11,286
<b>TOTAL FINANCING</b>	<b>32,552</b>	<b>27,318</b>	<b>21,890</b>	<b>10,471</b>	<b>10,292</b>		<b>102,523</b>
<b>GENERAL FUND BORROWING REQUIREMENT</b>	<b>19,494</b>	<b>10,951</b>	<b>2,587</b>	<b>6,634</b>	<b>7,122</b>		<b>46,788</b>
C21st School borrowing requirement Band A (App B)	6,525	6,593					13,118
C21st School borrowing requirement Band B (App C)	184	3,979	8,542	8,581	3,683	13,377	38,346
<b>Total GF borrowing requirement including C21st Schools</b>	<b>26,203</b>	<b>21,523</b>	<b>11,129</b>	<b>15,215</b>	<b>10,805</b>	<b>13,377</b>	<b>98,252</b>

**C21st SCHOOLS PROGRAMME CAPITAL EXPENDITURE & FINANCING 2012/13 - 2018/19**

	to 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	Actual spend £'000	Actual spend £'000	Actual spend £'000	Actual spend £'000	Actual spend £'000	Forecast spend £'000	Forecast spend £'000	£'000
<b>Band A</b>								
<b>EXPENDITURE</b>								
Morrison Comprehensive Refurbishment	5,445	11,916	4,271	128	2	195		21,957
21st Century Schools Programme (Band A)								
Phase 1								
Burlais Primary new school build	17	453	5,941	1,266	94	264		8,035
Gowerton Primary new school build	16	446	2,193	3,833	136	81		6,705
YGG Lon Las rebuild and remodel		66	108	2,672	6,202	796		9,844
Glyncollen and Newton Primary improvements		393	1,007					1,400
Phase 2								
Pentrehafod remodelling				52	3,704	7,012	4,308	15,076
Gorseinon Primary new school build			51	332	11	10	2,821	3,225
Pentre'r Graig Primary improvements			97	1,117	1,429	81		2,724
YG Gwyr improvements			50	109	766	280		1,205
Secondary Review							20	20
Education other than at school new premises (brought forward from Band B)						335	2,890	3,225
<b>TOTAL EXPENDITURE</b>	<b>5,478</b>	<b>13,274</b>	<b>13,718</b>	<b>9,509</b>	<b>12,344</b>	<b>9,054</b>	<b>10,039</b>	<b>73,416</b>
<b>FINANCED BY:</b>								
Welsh Government Grant								
Morrison Comprehensive Refurbishment	5,198	10,192						15,390
21st Century Programme Schemes - grant		782	6,231	5,702	4,621	229	1,632	19,197
21st Century Programme Schemes - PB					2,343	2,300	1,814	6,457
Pentrehafod Challenge Cymru funding					150			150
Capital Receipts			104					104
Contributions	33	592	742					1,367
<b>TOTAL FINANCING</b>	<b>5,231</b>	<b>11,566</b>	<b>7,077</b>	<b>5,702</b>	<b>7,114</b>	<b>2,529</b>	<b>3,446</b>	<b>42,665</b>
<b>CCS Borrowing requirement</b>	<b>247</b>	<b>1,708</b>	<b>6,641</b>	<b>3,807</b>	<b>5,230</b>	<b>6,525</b>	<b>6,593</b>	<b>30,751</b>
<b>CURRENT BORROWING REQUIREMENT (2017/18 TO 2018/19)</b>								<b>13,118</b>

**C21ST SCHOOLS PROGRAMME CAPITAL EXPENDITURE & FINANCING 2017/18 - 2023/24**

	to 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
<b>Band B</b>	<b>Actual spend</b>	<b>Forecast spend</b>	<b>Forecast spend</b>	<b>Forecast spend</b>	<b>Forecast spend</b>	<b>Forecast spend</b>	<b>Forecast spend</b>	<b>Forecast spend</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>EXPENDITURE</b>									
Band A : Gorseinon Primary school new build (from Band A)				3,725					<b>3,725</b>
21st Century Schools Programme (Band B)									
Education other than at School new premises			3,979	4,466	161				<b>8,606</b>
Band B Schools				13,032	19,368	18,852	46,983	39,129	<b>137,364</b>
Site feasibility	66	184							<b>250</b>
<b>TOTAL EXPENDITURE</b>	<b>66</b>	<b>184</b>	<b>3,979</b>	<b>21,223</b>	<b>19,529</b>	<b>18,852</b>	<b>46,983</b>	<b>39,129</b>	<b>149,945</b>
<b>FINANCED BY:</b>									
Welsh Government funding									
Traditional capital grant funding				12,681	8,419	3,684	13,033	7,704	<b>45,521</b>
Mutual Investment Model financing					1,281	5,841	12,915	17,791	<b>37,828</b>
Voluntary Aided Schools					698	3,142	3,142		<b>6,982</b>
CCS Capital Receipts estimate								7,360	<b>7,360</b>
CCS Mutual Investment Model financing					427	1,947	4,305	5,930	<b>12,609</b>
Contributions (voluntary aided)					123	555	555		<b>1,233</b>
<b>TOTAL FINANCING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,681</b>	<b>10,948</b>	<b>15,169</b>	<b>33,950</b>	<b>38,785</b>	<b>111,533</b>
<b>CCS Borrowing requirement</b>	<b>66</b>	<b>184</b>	<b>3,979</b>	<b>8,542</b>	<b>8,581</b>	<b>3,683</b>	<b>13,033</b>	<b>344</b>	<b>38,412</b>
<b>CURRENT BORROWING REQUIREMENT (2017/18 TO 2023/24)</b>									<b>38,346</b>

## MATERIAL CHANGES TO THE 2017/18 CAPITAL BUDGET

Scheme	Source Of Funding	2017/18 Change £'000
<b>Director of Resources</b>		
<b>Delivery &amp; Information</b>		
Agile Working Laptops	Revenue	477
<b>Director of People</b>		
<b>Education Planning &amp; Resources</b>		
YGG Y Cwm Additional Work to Infant Block	Contribution	77
YGG Pontybrennin Additional Double Class Demountable	Contribution	29
Flying Start Capital Grant 17/18	Grant	125
<b>Social Services</b>		
Ty Nant Relocation	Revenue	90
ENABLE Independent Living Grant	Grant	280
<b>Poverty</b>		
Relocate Early Intervention Team to Alexandra House	Revenue	70
Enabling Work to House Play Bus	Revenue	40
Refurbishment Works at Ty Borfa	Revenue	145
<b>Director of Place</b>		
<b>Highways &amp; Transportation</b>		
Local Transport Fund 17/18	Grant	1,110
Local Transport Network Fund 17/18	Grant	1,000
Road Safety 17/18	Grant	607
Safer Routes In Communities 17/18	Grant	219
Small Scale Flood Risk Management Schemes	Grant	68
Purchase of 6 Van Mounted Access Platforms	Revenue	370
Wheels to Work Community Transport	Revenue	47
<b>Housing General Fund</b>		
Sandfields Renewal Area	Contribution/Revenue/ Grant	854
<b>Culture, Sport, Leisure &amp; Tourism</b>		
Grand Theatre Purchase of Furniture	Revenue	61
Townhill Library within Pheonix Centre	Grant	126
Upgrade Gower View Play Area, Brynafon Roac	Contribution	74
3G Pitch Morryston Comp/LC	Revenue	18
3G Pitch Penyrheol Comp/LC	Revenue	31
<b>Economic Regeneration &amp; Planning</b>		
Swansea Central	Borrowing	1,375
Llys Dewi Sant Site	Contribution	220
Investment Property Portfolio	Borrowing	1,122
<b>Corporate Building</b>		
Ysgol Pen y Bryn Modular Extension	Revenue	351
Delayed & Reprofiled Spending From 2016/17 - All Services	Various	16,644
Delayed & Reprofiled Spending Into 2018/19 - All Services	Various	-14,925
Other Minor Changes	Various	307
<b>TOTAL MATERIAL CHANGES</b>		<b>11,012</b>

## GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
<b>DIRECTOR OF RESOURCES</b>						
<b>Delivery &amp; Information</b>						
Telephony system replacement	451					451
Civic Centre LAN upgrade and WIFI provision	54					54
Upgrade Server Hardware	120					120
Improvements to school networks and associated equipment	378					378
Conference Equipment	40					40
Digital Business Strategy	760					760
Laptops for agile working	477	240				717
Agile IT		2,505			425	2,930
Mobile IT		2,100	2,100	1,575	1,705	7,480
<b>Financial Services</b>						
Corporate Contingency	405					405
Swansea Community Energy scheme (equity investment)	100					100
<b>TOTAL FOR DIRECTOR OF RESOURCES</b>	<b>2,785</b>	<b>4,845</b>	<b>2,100</b>	<b>1,575</b>	<b>2,130</b>	<b>13,435</b>
<b>DIRECTOR OF PEOPLE</b>						
<b>Education (excluding 21st Century schools programme)</b>						
Primary and secondary school schemes (not within C21st)	486					486
STF schemes	370					370
<b>Poverty &amp; Prevention</b>						
<b>Social Services</b>						
Mayhill Family / Medical Centre	193					193
Residential home for young people	400					400



## GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
Enable scheme (support for independent living)	280					280
Alexandra House improvements	70					70
Ty Borfa refurbishments	145					145
Poverty schemes	116					116
Care home backlog maintenance			1,000	1,000	1,309	3,309
Capital creditors for 2016-17 paid in 2017-18	941					941
<b>TOTAL FOR DIRECTOR OF PEOPLE</b>	<b>3,001</b>		<b>1,000</b>	<b>1,000</b>	<b>1,309</b>	<b>6,310</b>
<b>DIRECTOR OF PLACE</b>						
<b>Highways &amp; Transportation</b>						
Morfa Distributor Road	114					114
SRIC - St Thomas	219					219
Road Safety/Traffic grant Schemes	607					607
LTF Kingsbridge cycle link	73					73
LTF -Links to NCN Orchard St	363					363
LTF Baldwins Bridge business case	541					541
LTF strategic bus corridors	124					124
LTNF grant schemes	1000					1,000
Structural maintenance roads, including carriageway resurfacing, footways and lighting	2594					2,594
Highways annual allocation		3375	3375	3375	3375	13,500
Highways/Infrastructure additional Capital Maintenance (funded by reserves)	1000	1000	1000			3,000
Highways/Infrastructure additional Capital for commissioning review		1400	1400	1400	1400	5,600
Seawall repairs		2000				2,000
Highways & Transportation Vehicle replacement programme	226					226

## GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Van Mounted Access Platforms	370					370
Slip Bridge Refurbishment	139					139
Pont-y-Lon Bridge	100	700				800
Bascule Bridge		850				850
Other Bridges & retaining Walls	659					659
Drainage and flood alleviation works	754					754
Coast protection	313					313
Marina barrage schemes	398					398
Other highways schemes	518					518
<b>Waste Management</b>						
Tir John works	1,179	3,478				4,657
Purchase existing generating station	1,135					1,135
Route Optimisation Equipment	32					32
Provision of Food Waste Hall	114	43				157
Other waste schemes		40				40
<b>Culture, Sport, Leisure &amp; Tourism</b>						
Art Gallery - Refurbishment	204					204
Art Gallery - Refurbishment (HLF element)	111					111
Library Service	66					66
Refurbish Townhill library within Phoenix Centre	126					126
3G Pitch Morriston Comprehensive School	256					256
3G Pitch Penyrheol Comprehensive School	636					636
3G Pitch Cefn Hengoed Comprehensive School	86	450				536
3G Pitch expansion (match funding for 2 x 3G pitches)		500				500
Upgrade Play Area Brynafon Rd	74					74
Other Culture, Sport, Leisure & Tourism schemes	267	169				436
<b>Economic Regeneration &amp; Planning</b>						
Kingsway Urban Parkway	351	5,683	5,902	305		12,241
City Centre Regeneration Match Funding	1,396					1,396
City Centre regeneration - Swansea Central planning and design (Funding to be confirmed)	4,667					4,667

## GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Kingsway offices design and planning	850					850
Civic Centre Relocation		200				200
City Centre Contingency		250				250
City Centre Deal (Quadrant)		350				350
City centre schemes (to include Castle Square and Market)		250	500	250		1,000
Hafod/Morfa Copper Works match funding		1,500				1,500
Hafod/Morfa Copper Works Regeneration	136					136
Musgrave Engine House repairs	72					72
Swansea Vale infrastructure/studies	239	500				739
Vibrant & Viable Places: Oceana demolition	501					501
Vibrant & Viable Places: Llys Dewi Sant site	401					401
Other regeneration schemes	64					64
<b>Housing &amp; Public Protection</b>						
<b>Housing</b>						
DFG's -1996 Act (figure for 2017/18 inc. £1.4m slippage)	5,972	5,200	5,200	5,200	5,200	26,772
Sandfields Renewal Area	1,325					1,325
Property Appreciation Loans	940					940
Grant For Nominations	156					156
Comfort Safety & Security Grants (CSS)	7					7
Mini Adaptation Grants (MAG)	403					403
Houses into Homes Loans	154					154
Houses into Homes Loans (WG new regulations)	885					885
National Home Improvement Loans	885					885
Home loans default provision	38					38
<b>Corporate Building</b>						
Capital Maintenance allocated	5,874					5,874
Schools - additional capital maintenance	1,000	1,000				2,000
Capital Maintenance unallocated		4,000	4,000	4,000	4,000	16,000
Lighting at Guildhall and other buildings	100					100

## GENERAL FUND CAPITAL BUDGET 2017/18 - 2021/22

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
Conversion of Mansion House into public access civic building	200					200
Capital creditors for 2016-17 paid in 2017-18	1,801					1,801
<b>Corporate Property</b>						
Accommodation Strategy (agile working)	260	307				567
Pipehouse Wharf Replacement	2,063	179				2,242
Property Investment Portfolio (the funding for this will be repaid by future rental income)	1,122					1,122
<b>TOTAL FOR DIRECTOR OF PLACE</b>	<b>46,260</b>	<b>33,424</b>	<b>21,377</b>	<b>14,530</b>	<b>13,975</b>	<b>129,566</b>
Totals	52,046	38,269	24,477	17,105	17,414	149,311

**Total General Fund Capital Budget**

**Appendix F**

		<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2023/24</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total General Fund (Excluding Schools)	App A	52,046	38,269	24,477	17,105	17,414	0	149,311
C21st Schools Band A	App B	9,054	10,039					19,093
C21st Schools Band B	App C	184	3,979	21,223	19,529	18,852	86,112	149,879
<b>Total General Fund (including Schools)</b>		<b>61,284</b>	<b>52,287</b>	<b>45,700</b>	<b>36,634</b>	<b>36,266</b>	<b>86,112</b>	<b>318,283</b>



## Report of the Section 151 Officer

Council – 1 March 2018

### **Treasury Management Strategy Statement, Prudential Indicators, Investment Strategy and Minimum Revenue Provision Policy Statement 2018/19**

<b>Purpose:</b>	To recommend the Treasury Management Strategy Statement, Prudential Indicators, Investment Strategy and Minimum Revenue Provision Policy Statement for 2018/19 be approved
<b>Policy Framework:</b>	None
<b>Consultation:</b>	Legal, Finance and Access to Services.
<b>Recommendations:</b>	Council approves the:  (1) Treasury Management Strategy and Prudential Indicators (Sections 2-7) and  (2) Investment Strategy (Section 8) and  (3) Minimum Revenue Provision (MRP) Statement (Section 9)
<b>Report Author:</b>	Jeff Dong
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

- 1.1 This strategy statement has been prepared in accordance with the revised CIPFA Treasury Management Code of Practice adopted by this Council in 2010 which has been recently revised in 2017. The Council's Treasury Management Strategy will be reviewed and reviewed annually by Council and there will also be a mid year report

providing summary of progress against that strategy. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the scrutiny of the Treasury Management function appreciate fully the implications of the Treasury Management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting. CIPFA has adopted the following as its definition of treasury management

*“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”*

## 1.2 CIPFA Prudential Code – Revised 2017

During the preparation of this year’s Treasury management Strategy, CIPFA have made two main changes to the Code in 2017, however it recognises that the recommended amendments may not be timely for full implementation for 2018/19 but expect them to be fully implemented for 2019/20. They are

- Minor changes to the treasury indicators which were initially developed in 2004
- Clarifying that the definition of ‘Investments’ above includes:-
- Treasury Management investments (as historically included in this Strategy, as well as
- investments made for policy reasons and managed outside of normal treasury management activity.

## 1.3 The latter change is primarily in response to increasing commercialisation activities undertaken by Local authorities. Examples of investments made for policy reasons and managed outside of normal treasury management activity include:-

- ‘service investments’ held in the course of provision and for the purposes of operational services
- ‘commercial investments’ which are taken mainly for financial reasons. These may be shares and loans in business structures e.g. subsidiaries; investments explicitly taken with the aim of making a financial surplus for the Council; non financial assets such as investment properties held primarily for financial benefit

## 1.4 Where, in addition to treasury management investment activity, organisations invest in other financial assets and property primarily for financial return, the Code requires that these investments should be proportional to the level of resources available to the organisation and the organisation should ensure that robust procedures for the

consideration of risk and return are applied to these decisions.

- 1.5 The Code requires that all investments have an appropriate investment management and risk management framework. This includes making it explicit in any decision making:-
- the powers under which investment is made
  - the governance process including arrangements in place to ensure appropriate due diligence to support decision making
  - the extent to which capital invested is placed at risk
  - the impact of potential losses on financial sustainability
  - the methodology and criteria for assessing performance and monitoring process
  - how knowledge and skills in managing such investments is arranged and that these are monitored, reported and highlighted explicitly in the decision making process and due diligence.
- 1.6 The most significant investments currently held by the Council and managed outside of normal treasury management activity are the Council's Investment Properties, which include various freeholds within the City held for strategic investments and or income generation.
- 1.7 The Council will need to consider this change in the Code during 2018/19 when considering any new proposals for non treasury investments as well as any updates to existing strategies, practices and reporting such as in the Statement of Accounts. It will be recommended that Council adopt the practices for Non Treasury Investments identified in a separate section of the Treasury Investment Strategy below in 8.7.
- 1.8 The Local Government Act 2003 requires the Council to have regard to the Prudential Code and to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- The Council is required to formally consider the Prudential and Treasury Indicators as detailed in section 2 of this report
- 1.9 The Act also requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy as required by Investment Guidance issued subsequent to the Act. This strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. The management of the Council's Treasury Management activities are in line with the CIPFA Treasury Management Revised Code of Practice.
- 1.10 The recommended strategy for 2018/19 is based upon a view on



interest rates, having considered leading market forecasts provided by the Council's treasury advisor, Link Asset Services. The overall strategy covers:

- Treasury Limits 2018/19-2021/22
- Prudential / Treasury Indicators
- The current portfolio position
- Prospects for interest rates including a summary of the economic background
- The Borrowing Requirement
- The Borrowing Strategy
  - Gross v Net Debt Position
  - Policy on Borrowing in Advance of Need
- Debt Rescheduling
- The Annual Investment Strategy
  - Investment Policy
    - Including non Treasury Investments
  - Interest Rate Outlook
  - Creditworthiness Policy
  - Country Limits
  - Policy on the Use of External Advisors
  - Scheme of Delegation
  - Pension Fund Cash
- Minimum Revenue Provision (MRP) Policy Statement

1.11 A glossary of terms used within this report is attached at Appendix A.

## **2. Treasury Limits 2018/19 to 2021/22**

2.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to set a balanced budget. Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

- increases in capital finance charges (principal and net interest) caused by increased borrowing to finance additional capital expenditure and
- any increases in running costs from new capital projects are affordable within the projected revenue of the Council for the foreseeable future.

2.2 Under statute, the Council is required to set an Affordable Borrowing Limit i.e a limit which the Council can afford to borrow. In Wales, the Authorised Limit represents the legislative limit specified in section 3 of the Local Government Act 2003.

2.3 The Council must have regard to the Prudential Code when setting the Authorised Limit . This limit requires the Council to ensure that

total capital investment remains within sustainable limits. The Authorised Limit must be set for the forthcoming financial year and the two successive financial years.

2.4 The Prudential Code for Capital Finance in Local Authorities requires Councils to calculate treasury indicators (formerly prudential indicators) which demonstrate prudence in the formulation of borrowing proposals. These are defined as:

- The Operational Boundary :  
*“...is based on expectations of the maximum external debt of the authority according to probable not simply possible events and being consistent with the maximum level of external debt projected by the estimates....”*
- The Authorised Limit :  
*“..the Authorised Limit must therefore be set to establish the outer boundary of the local authority’s borrowing based on a realistic assessment of the risks. The authorised limit is certainly not a limit that an authority will expect to borrow up to on a regular basis. It is crucial that it is not treated as an upper limit for borrowing for capital expenditure alone since it must also encompass borrowing for temporary purposes...”*
- Upper limits for borrowing of fixed and variable rate loans.
- Upper limit for investments for over 364 days.
- Upper and lower limits for the maturity profile of the Council’s debt
- Estimates of the incremental impact of capital investment decisions on Council Tax / Housing rents
- Estimates of the ratio of financing costs to net revenue stream
- Estimates of the capital financing requirement

2.5 In setting and revising Prudential Indicators the authority is required to have regard to:-

- Affordability e.g. implications for Council Tax / Housing rents
- Prudence and sustainability e.g. implications for external borrowing
- Value for money e.g. option appraisals
- Stewardship of assets e.g. strategic planning
- Practicality e.g. achievability of forward plans

2.6 It is a requirement of the Code that Prudential / Treasury Indicators are regularly monitored and systems are in place to achieve compliance.

<b>Treasury / Prudential Indicators</b>						
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Actual</b>	<b>Probable</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Capital Expenditure</b>						
GF	49,783	52,046	38,269	24,477	17,105	17,414
HRA	51,953	51,886	57,893	57,737	51,489	TBD
<b>Total</b>	<b>101,736</b>	<b>103,932</b>	<b>96,162</b>	<b>82,214</b>	<b>68,594</b>	<b>17,414</b>
<b>Capital Financing Requirement 31<sup>st</sup> March</b>						
GF	342,367	361,008	374,478	377,671	385,115	387,728
HRA	155,755	166,528	186,316	207,451	223,016	215,960
Magistrates' Court **	1,411	1,354	1,300	1,248	1,198	1,150
Credit Arrangements*	620	533	368	219	112	20
<b>Total</b>	<b>500,153</b>	<b>529,423</b>	<b>562,462</b>	<b>586,589</b>	<b>609,441</b>	<b>604,858</b>
<b>Authorised limit for external debt</b>	444,639	666,370	689,329	689,329	689,329	689,329
<b>Operational boundary for external debt</b>	444,639	606,370	629,329	629,329	629,329	629,329
<b>Upper limit for fixed interest rate exposure</b>	77.96%/ £346,640	100%/ £606,370	100%/ £629,329	100%/ £629,329	100%/ £629,329	100%/ £629,329
<b>Upper limit for variable rate exposure</b>	22.04%/ £98,000	40%/ £242,548	40%/ £251,731	40%/ £251,731	40%/ £251,731	40%/ £251,731
<b>Upper limit for total principal sums invested for over 364 days</b>	0	40,000	40,000	40,000	40,000	40,000

\* The GF Capital Financing Requirements includes arrangements classified as credit arrangements (finance leases) under International Financial Reporting Standards (IFRS) requirements as of 2011/12. However these continue to be funded directly on a revenue basis and do not form part of the borrowing requirement.

\*\* Legacy Magistrates' Court debt which is wholly recharged is included for completeness

<b>Maturity structure of fixed rate borrowing during 2018/19-2021/22</b>		
	<b>Upper limit %</b>	<b>Lower limit %</b>
Under 12 months	60	0
12 months and within 24 months	60	0
24 months and within 5 years	60	0
5 years and within 10 years	90	0
10 years and above	95	15

<b>Ratio of Financing Costs to Net Revenue Stream</b>						
	<b>Actual 2016/17 %</b>	<b>Revised 2017/18 %</b>	<b>Estimate 2018/19 %</b>	<b>Estimate 2019/20 %</b>	<b>Estimate 2020/21 %</b>	<b>Estimate 2021/22 %</b>
<b>General Fund</b>	6.36	6.62	6.66	6.59	6.56	6.78
<b>HRA</b>	15.09	17.46	17.84	19.44	20.55	-

#### Gross Debt v Capital Financing Requirement

The gross debt position versus the capital financing requirement is detailed below. The profile below assumes progressive external funding of the internalised borrowing and by the borrowing requirement informed by the capital programme.

<b>Comparison of average gross debt and capital financing requirement</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>actual</b>	<b>probable</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Average debt (gross)</b>	444,639	484,639	519,639	544,639	572,639	570,139
<b>Capital Financing Requirement at 31<sup>st</sup> March</b>	499,533	528,890	562,094	586,370	609,329	604,838
<b>Net Position</b>	54,894	44,251	42,455	41,731	36,690	34,699

### **3. The current portfolio position**

3.1 The Council's projected debt portfolio position at 31/3/18 comprises:

	<b>Principal outstanding 31 March 2018 £'000</b>	<b>Average rate of Interest %</b>
Public Works Loan Board (fixed)	343,086	5.15
Money Market	98,000	4.10
Temporary	1,600	0.80
<b>Total</b>	<b>442,686</b>	<b>5.03</b>

3.2 The Council's forecast investment portfolio at 31 March 2018 is as follows:

<b>Managed Investments</b>	<b>Investments 31 March 2018</b>	<b>2017/18 Probable Investment Return</b>	<b>2018/19 Estimated Investment Return</b>
	<b>£'000</b>	<b>%</b>	<b>%</b>
Internally Managed	59,555	0.3%	0.4%

#### 4. Prospects for Interest Rates

4.1 The Council's Treasury advisers (Link Asset Services) provided the following interest rate forecast for both short term (bank rate) and long term (PWL B) interest rates as at January 2018. There is a downside risk to these forecasts if economic growth proves to be weaker and slower than currently forecast.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB View	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

#### 4.2 Economic Background

Attached at Appendix B is an economic background assessment provided by our Treasury advisers, Link Asset Services. This assessment has informed the proposed strategies.

#### 5. The In Year Borrowing Requirement

5.1 The Council will have the following net capital borrowing / repayment requirements for 2017/18 to 2021/22:

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Borrowing and repayment requirements</b>	<b>Actual</b>	<b>Probable</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
To finance new capital expenditure by supported borrowing	6,370	6,398	6,398	6,398	6,398	6,398
To finance new capital expenditure by unsupported borrowing	34,349	42,403	45,545	37,669	37,340	10,805
To replace loans maturing/repaid prematurely/voluntary contributions		9,000			3,000	
Less						
Repayments (MRP)	15,715	17,131	16,452	18,141	18,411	19,126
Set aside capital receipts	77	600	600	600	600	600
<b>Net in Year Borrowing/(Repayment) Requirement</b>	<b>24,927</b>	<b>40,070</b>	<b>34,891</b>	<b>25,326</b>	<b>27,727</b>	<b>(2,523)</b>
Lease principal payments (for info)	183		163	147	105	90

- 5.2 The borrowing requirement above reflects known planned capital expenditure to date as outlined in the “*The Capital Budget and Programme 2018/19 – 2021/22*” elsewhere at this agenda and may or may not be funded in year as opportunities to borrow affordably arise.
- 5.3 It is clear, however, that there are significant potential developments which are currently being developed which may have a significant effect on the Council’s proposals for Capital Expenditure during the period covered by this report but which have not been included for a number of reasons including:-
- Schemes which are currently in the development stage where approval is required in terms of overall scheme approval, the overall level of expenditure within each scheme and the projected level of CCS contribution.
  - Such schemes would encompass the current Swansea City Region Deal and the initial business case in respect of Band B of the 21<sup>st</sup> Century Schools programme and the Swansea Central Development
  - Schemes which are being developed outside of formal bid processes but where the current level of development is insufficient to estimate potential levels of CCS contributions and the nature and timing of funding requirements.
- 5.4 In considering the above, the Council shall determine that its plans are affordable, prudent and sustainable and shall formulate its Treasury Management , Borrowing & Investment Strategy and MRP Policy accordingly.
- 5.5 The above table in 5.1 details the net borrowing requirement for each financial year. In accordance with the Prudential Code, borrowing must be undertaken in line with a funding plan informed by the projected capital financing requirement. Borrowing may be financed from one or more of Public Works Loan Board loans; Money Market loans or internal loans. The precise choice and timing will depend on market conditions from time to time and will not necessarily mirror the profiling above.
- 5.6 At time of writing, borrowing rates are materially higher than investment rates as has been the case since the onset of the financial crisis. Considering this it has been determined that in the main the borrowing requirement for the capital programme shall be met by internalising the borrowing. However, as cashflow constraints and prospects for interest rate rises remain, we shall continue averaging in the borrowing requirement in 2016/17 and 2017/18 and in the forthcoming financial years to fund the capital programme when borrowing rates offer long term value and Cashflow requirements dictate .

Short term savings (by avoiding material new long term external borrowing) will be weighed against the potential additional long term extra costs (by delaying unavoidable new external borrowing until later when PWLB long term rates are forecast to be marginally higher).

5.7 Housing Revenue Account (HRA) Subsidy Reforms - Self Financing Settlement

As outlined in the report approved by Council on 2<sup>nd</sup> Dec 2014 entitled "*Reform of the Housing Revenue Account Subsidy System*", the Authority has entered into a Voluntary Agreement with Welsh Government to exit the current HRA subsidy system, resulting in more flexibility for the Authority in meeting affordable housing needs in the locale. In order to exit the current HRA subsidy system, a cash settlement amount had to be paid over to HM Treasury equal to a sum determined by formulae agreed in the Voluntary Agreement which resulted in a settlement figure of £73.58m for this Authority. The overriding principle of the HRA Reform is that all local housing authorities will be financially better off in revenue terms after the reforms.

5.8 The HRA reform settlement was required to be made to the Welsh Government on 1 April 2015 which was subject to a separate borrowing strategy dictated by the terms outlined in the Voluntary Agreement. The Council borrowed £73.58m from the PWLB and remitted this total amount to Welsh Government on April 2<sup>nd</sup> 2015.

5.9 The servicing and amortisation of this pool of debt shall be managed completely separately from the remainder of the pooled ( GF and HRA) debt portfolio and recharged directly to the HRA.

## **6. Borrowing Strategy**

6.1 Long term borrowing rates are expected to be significantly higher than rates available for investment deposits. It is likely that this position will pertain in the short to medium term.

In addition, the continuing uncertain economic conditions has maintained the need for caution in managing credit counterparty risk. There is still the risk of a bank / institution defaulting on the payment of interest due or repayment of amounts invested.

At the current time, long term PWLB and market rates offer attractive funding opportunities and some borrowing may be taken in the short to medium term to average in the long term borrowing requirement demanded by the council's capital programme reported separately on this agenda and to address cash flow requirements.

6.2 However, the overall strategy - with a view to minimising interest costs and the risk of default by counterparties - is therefore to continue to internalise the majority of the borrowing requirement for the capital programme with a view to averaging in the remainder of the borrowing requirement as cashflow and interest rates dictate in the medium term.

6.3 Policy on borrowing in advance of need

The Council has only a limited power to borrow in advance of need.

In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to borrow in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and which repayment profiles to use.

## **7 Debt Rescheduling**

7.1 The introduction of different PWLB rates on 1 November 2007 for new borrowing (as opposed to early repayment of debt) and the setting of a spread between the two rates (of about 0.4%-0.5% for the longest period loans narrowing down to 0.25%-0.30% for the shortest loans), has meant that PWLB to PWLB debt restructuring is now much less attractive than before that date.

7.2 Due to short term borrowing rates being expected to be cheaper than longer term rates, there may be opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short term nature and the likely cost of refinancing short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any rescheduling needs to be considered net of any premium payable which in light of current interest rates is likely to be considerable.

7.3 In actively managing credit counterparty and interest rate risks, consideration will also be given to running down investment balances by repaying debt prematurely as short term rates on investments are likely to be significantly lower than rates paid on current debt.

However, a repayment strategy will only be considered if a loan repayment offers value in terms of discount / associated costs and does not compromise the Council's long term debt management policies. In this respect, we will need to be mindful of the potential future need to arrange new long term loans as market conditions change from time to time.

7.4 Notwithstanding the above, it is not envisaged that there will not be any debt rescheduling opportunities in the remainder of 2017/18 or 2018/19 in the PWLB portfolio, however there may be opportunities to review the Authority's market debt dependent upon counterparty appetite. All rescheduling decisions will be reported to the Cabinet Member for Resources in the quarter following action.

## **8. The Annual Investment Strategy**

### **8.1 Investment policy**

8.1.1 The Council will have regard to the National Assembly of Wales' Guidance on Local Government Investments ("the Guidance") issued in



March 2004 (and subsequent amendments); CIPFA's Revised Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA Treasury Management Code") and the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2004 SI 1010(W.107). The Council's investment priorities are: -

- (a) to ensure the security of capital
- (b) to ensure the liquidity of investments.
- (c) to maximise interest returns (yield) commensurate with (a) and (b)

The investment strategy will be implemented with security of investment as the main consideration. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

8.1.2 The investment criteria are outlined in Appendix C.

8.1.3 Amendments to the arrangements, limits and criteria detailed in Appendix C may be made by the Section 151 Officer and advised to the Cabinet Member for Finance & Strategy in the quarter following action.

Appendix G is the list of UK financial institutions (counterparties) which satisfy the Council's minimum credit criteria as at 16th January 2016

8.1.4 It is anticipated that the Council will continue to hold internally managed funds during 2018/19 ensuring a suitable spread of investment risks. The Council has fixed benchmarks against which investment performance will be measured, i.e. 7 day LIBID rate (internally managed).

8.1.5 Interest Rate Outlook:

**Investment returns expectations.** Bank Rate is forecast to stay flat at 0.5% until quarter 2 2018 and not to rise above 0.75% until Dec 2019. Bank Rate forecasts for financial year ends (March) are:

- 2017/18 0.50%
- 2018/19 0.75%
- 2019/20 1.00%
- 2020/21 1.25%

There are upside risks to these forecasts (i.e. start of increases in Bank Rate occurs earlier) if economic growth strengthens. However, should the pace of growth slow, there could be a downside risk.

8.1.6 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (1-3 months) in order to benefit from the compounding of interest. However longer dated deposits will be made with appropriate counterparties if opportunities arise.

8.1.7 During and following the end of the financial year, the Council will report on its investment activity as part of its Mid Term Treasury Management Report and its Annual Treasury Management Report.

## 8.2 Creditworthiness Policy

This Council uses the creditworthiness service provided by our Treasury Management Advisors. This service has been progressively enhanced over the years and now uses a sophisticated modelling approach with credit ratings from all three rating agencies. Fitch, Moodys and Standard & Poors form the core element.

Appendix C outlines the Council's creditworthiness policy. Details of Fitch's short and long term ratings are at Appendix D.

The creditworthiness service does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system. The end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments.

All credit ratings will be monitored regularly with reference to the credit ratings report and updates. The Council is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.

There will be no future use of a counterparty/investment scheme which fails the credit rating tests .

In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swaps against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in the downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data, market information, information on government support for banks and the credit ratings of that government support.

## 8.3 Country Limits

The Authority has not made any new overseas deposits for several years since the financial crisis. Going forward, continued caution will be required when considering future opportunities to make overseas investments. There are no plans to make overseas investments at this time.

If such opportunities arise then the Council has determined that it will only use approved counterparties from countries with a minimum sovereign

credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide a rating) The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix E. This list will be added to or deducted from should ratings change in accordance with this policy.

#### 8.4 Policy on the use of external advisers

The Council uses the services of an external Treasury Management adviser namely - Capita Asset Services Treasury Management Advisors.

The Council recognises that responsibility for Treasury Management decisions remains with the Council at all times and as such, we will ensure that undue reliance is not placed upon external advisers.

However it is recognised that there is value in employing external advisers in relation to Treasury Management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

#### 8.5 Scheme of Delegation

The role and responsibilities of the Council, Cabinet Member for Resources and the S 151 officer are as follows:

##### (i) Council

- to receive and review reports on Treasury Management policies, practices and activities
- to receive and review the annual strategy.
- to receive and review amendments to the Authority's adopted clauses, Treasury Management policy statement
- to consider and approve the annual budget
- to receive and review the division of responsibilities

##### (ii) Cabinet Member for Resources

- to receive and review regular briefings/reports
- to receive and review the Treasury Management policy and procedures

##### (iii) Section 151 Officer

- to recommend clauses, Treasury Management policy for approval
- Implement and keep up to date operational Treasury Management practices
- to review the same regularly and monitor compliance
- to submit regular Treasury Management policy reports
- to submit budgets and budget variations
- to receive and review management information reports
- to review the performance of the Treasury Management function
- to ensure the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function
- to ensure the adequacy of internal audit, and liaise with external

- audit
- to recommend the appointment of external service providers.

#### 8.6 Pension Fund Cash

The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 which was implemented on 1st January 2010. Any investments made by the Pension Fund will comply with the requirements of SI 2009 No 393 and will comply with the prevailing City & County of Swansea Treasury Management Policies, Practices and Strategies.

#### 8.7 Non Treasury Investments

The Council recognises that investment for non-treasury management purposes in other financial assets and property, primarily for financial return, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios. The Council will ensure that all the organisation's investments are covered in its capital expenditure strategy, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments if undertaking such investments. It is recognised that the risk appetite for these activities may differ from that for treasury management. The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure

#### 8.8 Markets in Financial Instruments Directive II ( MIFID II)

The EU Regulation MIFID II came into force in Jan 2018. Pre Jan 2018, this Authority was recognised as a professional investor. The new directive required financial institutions to recognise all investors as retail clients. This ensured maximum protections but also precluded some forms of investments, only available to professional clients. Financial Institutions may elect to opt up clients upon request, if they can demonstrate suitable professional competency and governance frameworks are in place. This Authority has successfully elected to opt up to professional status with all its counterparties and service providers.

### **9. Minimum Revenue Provision Policy Statement**

9.1 Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery. It is inappropriate to charge the entirety of this expenditure in the year in which it is incurred i.e the expenditure benefits more than a single year of account. As such, the resulting costs are spread over several years. The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP) which was previously determined under Regulation and now is determined under Guidance.

9.2 Statutory instrument WSI 2008 no.588 section 3 states that "...a local authority must calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent,,"

The previous requirement to make a 2% MRP charge for the Housing Revenue Account share of the Capital Financing Requirement (CFR) is unchanged by this instrument.

- 9.3 Along with the above duty, the Welsh Assembly Government issued guidance in March 2008 which requires that a Statement on the Council's Policy for its annual MRP should be submitted to the full Council for review before the start of the financial year to which the provision will relate. The Council is legally obliged to 'have regard' to the guidance.
- 9.4 The Welsh Assembly Government guidance outlined four broad options to adopt for the calculation of MRP. They are:
- Option 1- Regulatory Method
  - Option 2 - Capital Financing Requirement Method
  - Option 3 - Asset Life Method
  - Option 4 – Depreciation Method

The options and guidance are detailed at Appendix F.

- 9.5 The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09 and will calculate the MRP for 2018/19 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act.
- 9.6 The major proportion of the MRP chargeable will relate to the historic debt liability (pre 2008/09) that will continue to be charged at the rate of 4% reducing balance, in accordance with option 1 or 2 of the guidance. (subject to review later in 2018/19 as indicated in 9.8). Certain expenditure reflected within the debt liability at 31<sup>st</sup> March 2017 incurred using 'unsupported borrowing' will under delegated powers be subject to MRP under option 3 which will be charged over a period commensurate with the estimated useful life applicable to the nature of expenditure.
- 9.7 Estimated life periods will be determined under delegated powers having taken professional advice. The Section 151 Officer reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
- 9.8 Going forward, it is proposed that all debt arising from capital expenditure supported by the WG through supported borrowing or the Local Government Borrowing Initiative will be charged MRP in accordance with option 1 or 2 and all other capital expenditure and other 'capitalised' expenditure will be repaid under option 3 as appropriate unless otherwise superseded by any accompanying capitalisation directive/guidance. However following dialogue with WAO and having considered best practice throughout the rest of Wales, it has been considered prudent to review the MRP Policy in respect of pre 2008/09 debt and debt which attracts WG support going forwards later in 2018/19.

**10 Legal Implications**

10.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty. The statutory provisions and guidance imposing such a duty on the Authority are as set out in the main body of the Report.

**11. Equality Impact Implications**

11.1 An equality impact assessment screening has been undertaken and it concludes that there are no equality impact implications arising from this report

**Background Papers:** The revised CIPFA Treasury Management Code of Practice 2011

The revised CIPFA Prudential Code for Capital Finance in Local Authorities 2011

The revised CIPFA Prudential Code for Capital Finance in Local Authorities 2017

**Appendices:**

Appendix A – Glossary of Terms

Appendix B – Treasury Advisors’ View On The Economic Background

Appendix C – Creditworthiness Policy & Investment Criteria

Appendix D – Credit Rating Agency Definitions

Appendix E – Approved Countries for Investment

Appendix F Minimum Revenue Provision Guidance

Appendix G – Approved Internal Counterparty Lending List

## TREASURY MANAGEMENT – GLOSSARY OF TERMS

<b>Annualised Rate of Return</b>	Represents the average return which would have been achieved each year.
<b>Authorised Limit</b> <i>( can also be considered as the affordable borrowing limit)</i>	The authorised limit must be set to establish the outer boundary of the local authority's borrowing based on a realistic assessment of the risks. The authorised limit is certainly not a limit that an authority will expect to borrow up to on a regular basis. It is crucial that it is not treated as an upper limit for borrowing for capital expenditure alone since it must also encompass borrowing for temporary purposes. It is the expected maximum borrowing need, with some headroom for unexpected movement.
<b>Bank Rate</b>	The Official Bank rate paid on commercial bank reserves i.e. reserves placed by commercial banks with the Bank of England as part of the Bank's operations to reduce volatility in short term interest rates in the money markets.
<b>Base Rate</b>	Minimum lending rate of a bank or financial institution in the UK.
<b>Basis Points (bp)</b>	A basis point is 0.01 of 1% (100 bp = 1%)
<b>Borrowing</b>	In the Code, borrowing refers to external borrowing. Borrowing is defined as both:- <ul style="list-style-type: none"> <li>• Borrowing repayable with a period in excess of 12months</li> <li>• Borrowing repayable on demand or within 12months</li> </ul>
<b>Capital Expenditure</b>	The definition of capital expenditure starts with all those items which can be capitalised in accordance with the Statement of Recommended Practice (SORP). To this must be added any items that have/will be capitalised in accordance with legislation that otherwise would not be capitalised. Prudential indicators for current and future years are calculated in a manner consistent with this definition.

<b>Capital Financing Charges (see financing costs also)</b>	These are the net costs of financing capital i.e. interest and principal, premium less interest received and discounts received.
<b>Capital Financing Requirement</b>	The Capital Financing Requirement is simply the total outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.
<b>CIPFA</b>	The Chartered Institute of Public Finance and Accountancy. One of the leading professional accountancy bodies in the UK and the only one which specialises in the public services.
<b>Counterparty</b>	The organisations responsible for repaying the Council's investment upon maturity and for making interest payments.
<b>Credit Rating</b>	<p>This is a scoring system that lenders issue people with to determine how credit worthy they are.</p> <p>The Credit Rating components are as follows:</p> <ol style="list-style-type: none"> <li>1. The AAA ratings through to C/D are long-term rating definitions and generally cover maturities of up to five years, with the emphasis on the ongoing stability of the institution's prospective financial condition. AAA are the most highly rates, C/D are the lowest. This Council does not invest with institutions lower than AA- for investments over 364 days</li> <li>2. F1/A1/P1 are short-term rating definitions used by Moody's, S&amp;P and Fitch Ratings for banks and building societies based on their individual opinion on an institution's capacity to repay punctually its short-term debt obligations (which do not exceed one year). This Council does not invest with institutions lower than F1/A1/P1 for investments under 364 days.</li> </ol>
<b>Debt</b>	For the purposes of the Code, debt refers to the sum of borrowing (see above) and other long-term liabilities (see below). It should be noted that the term borrowing used with the



	Act includes both borrowing as defined for the balance sheet and other long terms liabilities defined as credit arrangements through legislation.
<b>Discounts</b>	Where the prevailing interest rate is higher than the fixed rate of a long-term loan, which is being repaid early, the lender can refund the borrower a discount. This is calculated on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender is able to offer the discount, as their investment will now earn more than when the original loan was taken out.
<b>Financing Costs</b>	The financing costs are an estimate of the aggregate of the following:- <ul style="list-style-type: none"> <li>• Interest payable with respect to borrowing</li> <li>• Interest payable under other long-term liabilities</li> <li>• Gains and losses on the repurchase or early settlement of borrowing credited or charged to the amount to be met from government grants and local taxpayers (premiums and discounts)</li> <li>• Interest earned and investment income</li> <li>• Amounts required in respect of the minimum revenue provision plus any additional voluntary contributions plus any other amounts for depreciation/impairment that are charged to the amount to be met from government grants and local taxpayers</li> </ul>
<b>Financial Reporting Standards (FRSs)</b>	These are standards set by governing bodies on how the financial statements should look and be presented.
<b>Investments</b>	Investments are the aggregate of:- <ul style="list-style-type: none"> <li>• Long term investments</li> <li>• Short term investments (within current assets)</li> <li>• Cash and bank balances including overdrawn balances</li> </ul> <p>From this should be subtracted any investments that are held clearly and explicitly in the course of the provision of, and for the</p>

	purposes of, operational services.
<b>IMF</b>	International Monetary Fund
<b>LOBO (Lender's Option/ Borrower's Option)</b>	Money Market instruments that have a fixed initial term (typically one to ten year) and then move to an arrangement whereby the lender can decide at pre-determined intervals to adjust the rate on the loan. At this stage the borrower has the option to repay the loan.
<b>London Inter-Bank Bid Rate (LIBID)</b>	The interest rate at which major banks in London are willing to borrow (bid for) funds from each other.
<b>Managed Funds</b>	<p><u>In-House Fund Management</u> Surplus cash arising from unused capital receipts and working cashflows can be managed either by external fund managers or by the Council's staff in-house. The in-house funds are invested in fixed deposits through the money markets for periods up to one year.</p> <p><u>Externally Management Funds</u> Fund managers appointed by the Council invest surplus cash arising from unused capital receipts in liquid instruments such as bank certificates of deposit and government stocks. The fund managers' specialist knowledge should ensure a higher rate of earnings on the managed funds than would be otherwise obtained.</p>
<b>Maturity</b>	The date when an investment is repaid or the period covered by a fixed term investment.
<b>Minimum Revenue Provision (MRP)</b>	The amount required by statute to be principal repayment each year.
<b>Monetary Policy Committee (MPC)</b>	This is a body set up by the Government in 1997 to set the repo rate (commonly referred to as being base rate). Their primary target (as set by the Government) is to keep inflation within plus or minus 1% of a central target of 2% in two year time from the date of the monthly meeting of the Committee. Their secondary target is to support the Government in maintaining high and stable levels of growth and employment.

<b>Money Market</b>	<p>Consists of financial institutions and deals in money and credit.</p> <p>The term applied to the institutions willing to trade in financial instruments. It is not a physical creation, but an electronic/telephone one.</p>
<b>Net Borrowing</b>	<p>For the purposes of the Code, net borrowing refers to borrowing (see above) net of investments (see above).</p>
<b>Net Revenue Stream</b>	<p>Estimates for net revenue stream for current and future years are the local authority's estimates of the amounts to be met from government grants and local taxpayers.</p>
<b>Operational Boundary</b>	<p>This is based on expectations of the maximum external debt of the authority according to probable not simply possible – events and being consistent with the maximum level of external debt projected by the estimates. It is not a limit and actual borrowing could vary around this boundary for short periods.</p>
<b>Other Long Term Liabilities</b>	<p>The definition of other long term liabilities is the sum of the amounts in the Council's accounts that are classified as liabilities that are for periods in excess of 12months, other than borrowing (see definition above).</p>
<b>Premature Repayment of Loans (debt restructuring/rescheduling)</b>	<p>A facility for loans where the Council can repay loans prior to the original maturity date. If the loan repaid has a lower interest rate than the current rate for a loan of the same maturity period the Council can secure a cash discount on the repayment of the original loan. If the loan replaced has a higher rate of interest than the current rate for a loan of the same maturity period, a cash penalty is payable to the lender.</p>
<b>Premia</b>	<p>Where the prevailing current interest rate is lower than the fixed rate of a long term loan, which is being repaid early, the lender can charge the borrower a premium. This is calculated on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender may charge the premium, as their</p>

	investment will now earn less than when the original loan was taken out.
<b>Prudential Code</b>	The Prudential Code is the largely self regulatory framework outlined by CIPFA for managing/monitoring capital investment in local government.
<b>Public Works Loan Board (PWLB)</b>	A Government agency which provides loans to local authorities. Each year, it issues a circular setting out the basis on which loans will be made available. Loans can be either at a fixed rate or on a variable rate basis. They can be repaid on either an annuity, equal instalment of principal or maturity basis. The interest rate charged is linked to the cost at which the Government itself borrows.
<b>Risk</b>	<p><u>Counterparty Credit Risk</u> The risk that a counterparty defaults on its obligations.</p> <p><u>Inflation Risk</u> The risk that growth in the Authority's investment income does not keep pace with the effects of inflation on its expenditure.</p> <p><u>Interest Rate Risk</u> The risk that changes in rates of interest creates an unexpected or unbudgeted burden on the Council's finances.</p> <p><u>Liquidity Risk</u> The risk that cash will not be available when it is needed.</p> <p><u>Operational Risk</u> The risk of loss through fraud, error, corruption, system failure or other eventualities in Treasury Management dealings, and failure to maintain effective contingency management arrangements.</p> <p><u>Refinancing Risk</u> The risk that the Authority is unable to replace its maturing funding arrangements on appropriate terms.</p>
<b>Set Aside Capital Receipts</b>	A proportion of money received by the Council for the sale of fixed assets must be set aside to repay debt.

<b>SORP</b>	Statement of Recommended Practice, published by CIPFA (Local Authority Accounting Body). This sets out guidelines regarding the Council's financial matters.
<b>Specified/Non Specified investments</b>	Specified investments are sterling denominated investments for less than 364 days as identified in Appendix C in line with statutory investment regulations. Non-specified investments are all other investments identified in Appendix C in line with statutory investment regulations.
<b>Supranational Bonds</b>	These are bonds issued by institutions such as the European Investment Bank and World Bank. As with Government bonds (Gilts) they are regarded as the safest bond investments with a high credit rating.
<b>Temporary Borrowing and Investment</b>	Loans which are capable of being repaid within one year. The term of the loans will be negotiated from overnight to 364 days.
<b>Treasury Management</b>	Treasury Management has the same definition as in CIPFA's code of Practice of Treasury Management in the Public Services.  "The management of the organisation's cash flows its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
<b>Yield Curve</b>	The line resulting from portraying interest rate graphically for a series of periods, e.g. 7days, 1month, 3, 6, 9, and 12months. When longer-term interest rates are higher than short-term rates the yield curve slopes upwards and is described as positive. When the opposite prevails the yield curve is referred to as inverse.

## TREASURY ADVISORS' VIEW ON THE ECONOMIC BACKGROUND

### 1.2

**GLOBAL OUTLOOK.** World growth looks to be on an encouraging trend of stronger performance, rising earnings and falling levels of unemployment. In October, the IMF upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.

In addition, **inflation prospects are generally muted** and it is particularly notable that **wage inflation** has been subdued despite unemployment falling to historically very low levels in the UK and US. This has led to many comments by economists that there appears to have been a fundamental shift downwards in the Phillips curve (this plots the correlation between levels of unemployment and inflation e.g. if the former is low the latter tends to be high). In turn, this raises the question of what has caused this? The likely answers probably lay in a combination of a shift towards flexible working, self-employment, falling union membership and a consequent reduction in union power and influence in the economy, and increasing globalisation and specialisation of individual countries, which has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. In addition, technology is probably also exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to many repetitive tasks being taken over by machines or computers. Indeed, this is now being labelled as being the start of the **fourth industrial revolution**.

#### **KEY RISKS - central bank monetary policy measures**

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation is coming towards its close and a new period has already started in the US, and more recently in the UK, on reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of an on-going reduction in spare capacity in the economy, and of

unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this then also encouraged investors into a search for yield and into investing in riskier assets such as equities. This resulted in bond markets and equity market prices both rising to historically high valuation levels simultaneously. This, therefore, makes both asset categories vulnerable to a sharp correction. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery by taking too rapid and too strong action, or, alternatively, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.**

There is also a potential key question over whether economic growth has become too dependent on strong central bank stimulus and whether it will maintain its momentum against a backdrop of rising interest rates and the reversal of QE. In the UK, a key vulnerability is the **low level of productivity growth**, which may be the main driver for increases in wages; and **decreasing consumer disposable income**, which is important in the context of consumer expenditure primarily underpinning UK GDP growth.

A further question that has come to the fore is whether **an inflation target for central banks of 2%**, is now realistic given the shift down in inflation pressures from internally generated inflation, (i.e. wage inflation feeding through into the national economy), given the above mentioned shift down in the Phillips curve.

- Some economists favour a shift to a **lower inflation target of 1%** to emphasise the need to keep the lid on inflation. Alternatively, it is possible that a central bank could simply 'look through' tepid wage inflation, (i.e. ignore the overall 2% inflation target), in order to take action in raising rates sooner than might otherwise be expected.
- However, other economists would argue for a **shift UP in the inflation target to 3%** in order to ensure that central banks place the emphasis on maintaining economic growth through adopting a slower pace of withdrawal of stimulus.
- In addition, there is a strong argument that central banks should **target financial market stability**. As mentioned previously, bond markets and equity markets could be vulnerable to a sharp correction. There has been much commentary, that since 2008, QE has caused massive

distortions, imbalances and bubbles in asset prices, both financial and non-financial. Consequently, there are widespread concerns at the potential for such bubbles to be burst by exuberant central bank action. On the other hand, too slow or weak action would allow these imbalances and distortions to continue or to even inflate them further.

- Consumer debt levels are also at historically high levels due to the prolonged period of low cost of borrowing since the financial crash. In turn, this cheap borrowing has meant that **other non-financial asset prices**, particularly house prices, have been driven up to very high levels, especially compared to income levels. Any sharp downturn in the availability of credit, or increase in the cost of credit, could potentially destabilise the housing market and generate a sharp downturn in house prices. This could then have a destabilising effect on consumer confidence, consumer expenditure and GDP growth. However, no central bank would accept that it ought to have responsibility for specifically targeting house prices.

**UK.** After the UK surprised on the upside with strong economic growth in 2016, **growth in 2017 has been disappointingly weak**; quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the **manufacturing sector** which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year while robust world growth has also been supportive. However, this sector only accounts for around 10% of GDP so expansion in this sector will have a much more muted effect on the overall GDP growth figure for the UK economy as a whole.

While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the **Monetary Policy Committee, (MPC), meeting of 14 September 2017** managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.1% in November so that may



prove now to be the peak.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that **the amount of spare capacity in the economy was significantly diminishing** towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a *decrease* in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.

At its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the **contradiction within the Bank of England** between action in 2016 and in 2017 **by two of its committees**. After the shock result of the EU referendum, the **Monetary Policy Committee (MPC)** voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was *because* the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the **Financial Policy Committee (FPC)** of the Bank of England taking action in June and September over its concerns that

cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that **some consumers may have over extended their borrowing** and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

**EZ.** Economic growth in the eurozone (EZ), (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.1% y/y), 0.7% in quarter 2 (2.4% y/y) and +0.6% in quarter 3 (2.6% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in November inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however, announced that it will slow down its monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

**USA.** Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and quarter 3 coming in at 3.2%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been

building. The Fed has started on a gradual upswing in rates with four increases in all and four increases since December 2016; the latest rise was in December 2017 and lifted the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

**CHINA.** Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

**JAPAN.** GDP growth has been gradually improving during 2017 to reach an annual figure of 2.1% in quarter 3. However, it is still struggling to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

### **Brexit timetable and process**

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: initial two-year negotiation period on the terms of exit. In her Florence speech in September 2017, the Prime Minister proposed a two year transitional period after March 2019.
- UK continues as a full EU member until March 2019 with access to the single market and tariff free trade between the EU and UK. Different sectors of the UK economy will leave the single market and tariff free trade at different times during the two year transitional period.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK could also exit without any such agreements in the event of a breakdown of negotiations.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On full exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.

### Creditworthiness Policy and Investment Criteria

The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands

- Yellow 5 years \*
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
<b>Banks /UK Govt debt*</b>	yellow	£120m	5yrs
<b>Banks</b>	purple	£25m	2 yrs
<b>Banks</b>	orange	£25m	1 yr
<b>Banks – part nationalised</b>	blue	£30m	1 yr
<b>Banks</b>	red	£25m	6 mths
<b>Banks</b>	green	£25m / %	100 days
<b>Banks</b>	No colour	Not to be used	
<b>Council's banker</b>	-	£30m / %	5 yrs
<b>Other institutions limit</b>	-	£25m	1yr
<b>DMADF</b>	AAA	unlimited	6 months
<b>Local authorities</b>	n/a	£30m	5yrs
	Fund rating	Money and/or % Limit	Time Limit
<b>Money market funds</b>	AAA	£25m / %	liquid
<b>Enhanced money market funds with a credit score of 1.25</b>	Dark pink / AAA	£25m / %	liquid
<b>Enhanced money market funds with a credit score of 1.5</b>	Light pink / AAA	£25m / %	liquid

*\* Please note: the yellow colour category is for UK Government debt, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt*

The Capita Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances

consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored before deals are undertaken and The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

### Investment Criteria for Specified and Non Specified Investments

1.1 Investments will be made in accordance with the following terms:

#### 1.1.1 Specified Investments:

(All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable and the principal sum to be repaid at maturity is the same as the initial sum invested other than investments in the UK Government.)

Instrument	Minimum Credit Criteria	Use	Max investment
Debt Management Agency Deposit Facility	--	In-house	£120M
Term deposits – UK government	--	In-house	£120M
Term deposits – other LAs	--	In-house	£25M with each counterparty
Term deposits – banks and building societies	Short-term F1,P1,A1, Long-term AA- or UK nationalised banks  Blue Orange Red Green No Colour	In-house and fund managers  12 months 12 months 6 months 100 days Not for use	£25M with each counterparty/ See 2 and 3 below
Term deposits – Banks nationalised by highly credit rated sovereign countries	Short-term F1,P1,A1, Long-term AA-  Blue	In-house and fund managers  12 months	£30M with each counterparty/ See 2 and 3 below

	Orange Red Green No Colour	12 months 6 months 100 days Not for use	
Government guarantee on all deposits by high credit rated sovereign countries	AA-	In-house and fund managers	£25M with each counterparty/ See 2 and 3 below
UK Government supported banking sector	AA-	In-house and fund managers	£30M with each counterparty/ See 2 and 3 below

### 1.1.2 **Non-Specified Investments:**

A maximum of 35% will be held in aggregate of Council managed funds in non-specified investments. A maximum of 50% of aggregate funds managed by the Council's external fund managers will be held in non-specified investments.

<b>Instrument</b>	<b>Min Credit/Colour Criteria</b>	<b>Use</b>	<b>Maximum Period</b>	<b>Maximum Investment</b>
Term deposits – UK government (with maturities in excess of 1 year)		In-house	5 years	£30M
Term deposits – other Local Authorities (with maturities in excess of 1 year)		In-house	5 years	£25M with each counterparty
Deposits with banks and building societies covered by UK government guarantee	Short-term F1,P1,A1 Long-term AA-  Blue Orange	Fund managers/ in-house	See 2 and 3 below  12 months 12 months	See 2 below/£30m with each counterparty
Certificates of deposits issued by banks and building societies covered by UK government guarantee	Short-term F1,P1,A1 Long-term AA-  Blue Orange	Fund managers/in house	See 2 and 3 below  12 months 12 months	See 2 below/£25m with each counterparty
UK Government Gilts	-	Fund Managers/in house	See 2 and 3 below/5 years	See 2 below /£25M
Treasury Bills	-	Fund Managers/in house	See 2 and 3 below/5 years	See 2 below /£25M
Term deposits – banks and building societies (with maturities in excess of 1 year)	Short-term F1,P1,A1 Long-term AA-, or UK nationalised banks  Blue Orange	In-house	5 years  12 months 12 months	£25M with each counterparty
Certificates of deposits	Short-term	fund	10 years	See 2

issued by banks and building societies	F1,P1,A1 Long-term AA-,  Blue Orange	managers/in-house	12 months 12 months	below/£25M with each counterparty
UK Government Gilts with maturities in excess of 1 year	AAA	Fund Managers/in house	10 years	See 2 below/£25M with each counterparty
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis.  Also for use by fund managers	5 years  10 years	£25M with each counterparty and See 2 below
Bonds issued by a financial institution which is guaranteed by the UK government	-	In-house on a 'buy-and-hold' basis.  Also for use by fund managers	5 years  10 years	£25M with each counterparty  See 2 below
Sovereign bond issues (i.e. other than the UK govt)	AAA	In- house  Fund Managers	5 years  10 years	£25M with each counterparty  See 2 below
Corporate Bonds : [under SI 1010 (W.107)]	Long-term AA-	In- house  Fund Managers	5 years  10years	£25M with each counterparty  See 2 below
Gilt Funds and Bond Funds	Long-term AA-	In- house  Fund Managers	5 years  10years	£15M  See 2 below
Money Market Funds	AAA	In- house  Fund Managers	n/a  n/a	£25M  See 2 a below
Property funds	-	Fund managers	n/a	£20M  See 2 below
Floating Rate Notes	Long-term AA-	Fund managers	10 years	See 2 below
Treasury Bills	N/A	Fund Managers	10 years	See 2 below
Local authority mortgage guarantee scheme	Short-term F1,P1,A1 Long-term AA-,	In-house	10 years	£25m with each counterparty



***Fitch International Long-Term Credit Ratings***

International Long-Term Credit Ratings (LTCR) may also be referred to as Long-Term Ratings. When assigned to most issuers, it is used as a benchmark measure of probability of default and is formally described as an Issuer Default Rating (IDR). The major exception is within Public Finance, where IDRs will not be assigned as market convention has always focused on timeliness and does not draw analytical distinctions between issuers and their underlying obligations. When applied to issues or securities, the LTCR may be higher or lower than the issuer rating (IDR) to reflect relative differences in recovery expectations. The following rating scale applies to foreign currency and local currency ratings:

<b>Investment Grade</b>	<b>Definition</b>
AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
BBB	Good credit quality. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.
<b>Speculative Grade</b>	<b>Definition</b>
BB	Speculative. 'BB' ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

B	<p>Highly speculative.</p> <ul style="list-style-type: none"> <li>• For issuers and performing obligations, 'B' ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favourable business and economic environment.</li> <li>• For individual obligations, may indicate distressed or defaulted obligations with potential for extremely high recoveries. Such obligations would possess a Recovery Rating of 'RR1' (outstanding).</li> </ul>
CCC	<p>For issuers and performing obligations, default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favourable business or economic conditions.</p> <ul style="list-style-type: none"> <li>• For individual obligations, may indicate distressed or defaulted obligations with potential for average to superior levels of recovery. Differences in credit quality may be denoted by plus/minus distinctions. Such obligations typically would possess a Recovery Rating of 'RR2' (superior), or 'RR3' (good) or 'RR4' (average).</li> </ul>
CC	<p>For issuers and performing obligations, default of some kind appears probable.</p> <ul style="list-style-type: none"> <li>• For individual obligations, may indicate distressed or defaulted obligations with a Recovery Rating of 'RR4' (average) or 'RR5' (below average).</li> </ul>
C	<ul style="list-style-type: none"> <li>• For issuers and performing obligations, default is imminent.</li> <li>• For individual obligations, may indicate distressed or defaulted obligations with potential for below-average to poor recoveries. Such obligations would possess a Recovery Rating of 'RR6' (poor).</li> </ul>
RD	<p>Indicates an entity that has failed to make due payments (within the applicable grace period) on some but not all material financial obligations, but continues to honour other classes of obligations.</p>
D	<p>Indicates an entity or sovereign that has defaulted on all of its financial obligations. Default generally is defined as one of the following:</p> <ul style="list-style-type: none"> <li>• Failure of an obligor to make timely payment of principal and/or interest under the contractual terms of any financial obligation;</li> <li>• The bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business</li> </ul>

	<ul style="list-style-type: none"> <li>• The distressed or other coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.</li> </ul>
--	---

***Fitch International Short-Term Credit Ratings***

The following ratings scale applies to foreign currency and local currency ratings. A Short-term rating has a time horizon of less than 13 months for most obligations, or up to three years for US public finance, in line with industry standards, to reflect unique risk characteristics of bond, tax, and revenue anticipation notes that are commonly issued with terms up to three years. Short-term ratings thus place greater emphasis on the liquidity necessary to meet financial commitments in a timely manner.

<b>Short Term Rating</b>	<b>Current Definition</b>
F1	Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
F2	Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
F3	Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non investment grade.
B	Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favourable business and economic environment.
D	Indicates an entity or sovereign that has defaulted on all of its financial obligations.

**Approved Countries for Investment as at 27<sup>th</sup> Jan 2018**

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- U.K.

AA-

- Belgium
- Qatar

## MINIMUM REVENUE PROVISION

### 1. Government Guidance

The Welsh Assembly Government issued new guidance in March 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council are legally obliged by section 21 (1b) to "have regard" to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to 'have regard' to the guidance therefore means that: -

Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

Where the CFR was nil or negative on the last day of the preceding financial year, the authority does not need to make an MRP provision. MRP in the current financial year would therefore be zero,

#### **Option 1: Regulatory Method**

Under the previous MRP regulations, General Fund MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for "Adjustment A") on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This option is available for the General Fund share of capital financing requirement which relates to capital expenditure incurred prior to 1 April 2008. It may also be used for new capital expenditure up to the amount which is deemed to be supported by the Welsh Assembly Government annual supported borrowing allocation. The use of the commutation adjustment to mitigate the MRP charge is also allowed to continue under this option.

#### **Option 2: Capital Financing Requirement Method**

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

### **Option 3: Asset Life Method.**

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

The guidance suggests that any new borrowing which receives no Government support and is therefore self-financed would fall under option 3

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

Equal instalment method – equal annual instalments which are calculated using a simple formula set out in paragraph 9 of the MRP guidance,

under this approach, the MRP is provided by the following formula

$A - B$  divided by  $C$

A is the amount of capital expenditure in respect of the asset financed by borrowing or credit arrangements

B is the total provision made before the current financial year in respect of that expenditure

C is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires

Annuity method – annual payments gradually increase during the life of the asset with an appropriate interest rate used to calculate the annual amount

Under both options, the authority may make additional voluntary revenue provision and this may require an appropriate reduction in later years' MRP

In addition adjustments to the calculation to take account of repayment by other methods (e.g. application of capital receipts) should be made as necessary.

#### **Option 4: Depreciation Method**

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

#### **2. Date of implementation**

The previous statutory MRP requirements cease to have effect after the 2006/07 financial year. However, the same basis of 4% charge in respect of the GF share of CFR may continue to be used without limit until the 2009/10 financial year, relative to expenditure incurred up to 31/3/2008.

The guidance suggests that Options 3 and 4 should be applied to any capital expenditure which results in an increase in the CFR and does not relate to the authority's Supported Capital Expenditure.

The guidance also provides the authority with discretion to apply Options 3 or 4 to all capital expenditure whether or not supported and whenever it is incurred.

Any capitalised expenditure incurred after 1 April 2008 which gives rise to an increase in the GF CFR should be repaid by using option 3 as adapted by paragraphs 23 and 24 of the guidance.

Appendix G

Active Internal Credit UK Counterparty List (as at 1 February 2018)

Institution	Country	Bank/BS	Fitch Ratings	Support	S Term
			L Term		
Abbey National Treasury Services PLC	UK	Bank	A		F1
Bank of Scotland PLC	UK	Bank	A+		F1
Barclays Bank PLC	UK	Bank	A		F1
Close Brothers Ltd	UK	Bank	A		F1
Goldman Sachs International Bank	UK	Bank	A		F1
HSBC Bank PLC	UK	Bank	AA-		F1+
Lloyds Bank Plc	UK	Bank	A+		F1
Santander UK PLC	UK	Bank	A		F1
Standard Chartered Bank	UK	Bank	A+		F1
Sumitomo Mitsui Banking Corporation Europe Ltd	UK	Bank	A		F1
UBS Ltd.	UK	Bank	AA-		F1+
Coventry Building Society	UK	BS	A		F1
Leeds Building Society	UK	BS	A-		F1
Nationwide Building Society	UK	BS	A+		F1
Skipton Building Society	UK	BS	A-		F1
Yorkshire Building Society	UK	BS	A-		F1
Debt Management Office	UK				
Local Authorities	UK				





## Report of the Section 151 Officer and the Corporate Director Place

Council – 1 March 2018

### Housing Revenue Account (HRA) Revenue Budget 208/19

<b>Purpose:</b>	This report proposes a Revenue Budget for 2018/19 and a rent increase for properties within the HRA.
<b>Policy Framework:</b>	None.
<b>Consultation:</b>	Cabinet Members, Finance, & Legal
<b>Recommendations:</b>	The following budget proposals be approved:  a) Rents to be increased in line with the Welsh Government rent setting policy as detailed in section 3.  b) Fees, charges and allowances are approved as outlined in section 3.  c) The revenue budget proposals as detailed in section 3.
<b>Report Authors:</b>	Mark Wade / Ben Smith
<b>Finance Officer:</b>	Aimee Dyer
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officers:</b>	Sherill Hopkins/Catherine Window

#### 1. Introduction

1.1 The setting of the revenue budget has to take account of the following issues and factors:-

- the requirement to achieve the Welsh Housing Quality Standard (WHQS);
- future income and expenditure trends;
- increases in rent in line with the rent policy;
- the effect on tenants of rent increases;

1.2 The proposals in this report are based on the objective of maximising the resources available for investment in the housing stock to make progress in achieving the WHQS.

## 2. Projected Revenue Outturn 2017/18

- 2.1 There is a forecast underspend on HRA Revenue management and maintenance budgets of £0.35m which is comprised of a reduction in borrowing costs (£0.25m) due to slippage on the Capital Programme. There is also an underspend on employee costs (£0.075) and supplies and services (£0.16). There are also minor underspends on transport costs (£0.015m) and premises costs (£0.05m) as a result of utilities. These underspends are offset by an overspend on revenue repair costs (£0.10m) along with a reduction in fee income (£0.10m).
- 2.2 The forecast revenue contribution to the 2017/18 Capital Programme has increased by £1.9m as a result of higher than anticipated balances carried forward and a reduction in the borrowing requirement. This has been partially offset by lower borrowing costs of £0.26m. As a result the forecast for the balances carried forward has reduced to £5.8m.

## 3. Revenue Budget Proposals 2018/19

### 3.1 Overview

- 3.1.1 There is a projected surplus on the HRA next year of £24.3m. This surplus together with the planned use of reserves will contribute towards the capital programme of £57.9M in 2018/19. This is for further investment in WHQS and for the More Homes Programme.
- 3.1.2 The main changes from 2017/18 are an increase in management and maintenance costs of £0.9m. This is mainly as a result of the 2% pay rise, increments and an increase in employer's pension contributions of £0.5m and an increase in the revenue repairs budget of £0.4m due to inflationary pressures on materials costs. Capital charges increased by £0.9m as a result of the additional cost of borrowing to support achievement of the WHQS.
- 3.1.3 The main changes to funding/income are an increase in rent and other income of £4.2m arising from the proposed rent increases.
- 3.1.4 The main changes from the 2017/18 budget are shown in the following table:-

Item	£000
Reduction in the use of reserves	2,298
Increased financing charges	989
Effect of 2% pay rise and increase in pension contributions	494
Increase in Revenue Repairs Budget	380
Increase in Revenue Contribution to Capital	12
Other minor revenue changes	33
Additional income including 6.88% rent increase	-4206

### 3.2 Rent Income

- 3.2.1 The target average rent per week for Swansea provided by the Welsh Government under the rent setting policy which was introduced in April 2015 is set out in the following table. The WG figures are based on a 52 week period. However, the Council has traditionally charged rents over 50 weeks allowing two weeks during the year when rent is not collected. The equivalent 50 week average is also provided.

	Lower Band (i.e. Mid-Point - 5%)	Mid-Point	Higher Band (i.e. Mid-Point + 5%)
WG weekly figures (based on 52 weeks)	£85.03	£89.50	£93.98
50 week equivalent	£91.25	£96.05	£100.85

3.2.2 In February 2015, Council agreed to maximise the available rent income by using the full transitional increase allowable under the WG policy until such time that the upper band limit is reached. This policy on rent income directly helps fundamentally underpin our additional investment in the HRA capital programme.

3.2.3 After applying the national increase of 4.5% plus the full transitional increase, the average rent for 2018/19 will be £93.35 (based on 50 weeks). This is an average increase of £6.01 (6.88%) per week.

### 3.3 *Inflation*

Provision has been included in the budget for a 2% annual pay increase from April 2018. In addition, budgets have been amended to reflect changes in employer's contributions for pensions. Other budgets, in particular repairs and maintenance and utility costs have been based on the latest prices.

### 3.4 *Capital Financing Charges*

Additional Capital financing charges will arise in 2018/19 as a result of additional borrowing to finance WHQS improvements.

### 3.5 *Fees, Charges and Allowances*

General fees, charges and allowances are normally increased either in line with the agreed rent increase or in line with the inflation provision set out in 4.3 above. If the recommendations relating to the rent increase are approved then these rent related items will increase by 6.88% and other charges by 3%.

### 3.6 *Contributions to the Capital Programme*

The additional income enables a contribution of £24.5m to the capital programme. A further £97k from reserves will also be utilised in supporting the capital programme.

## 4. **Risks and Uncertainties**

4.1 The main risk and uncertainty for next year is the ongoing impact of welfare reform measures, such as the potential increase in number of tenants in receipt of universal credit on the level of income.

## 5. **Reserves**

5.1 The HRA balance at the start of this year was £9.8m and at the end of the current year it is estimated to be £5.8m. It is proposed that £97k is used next year to finance capital expenditure. The reserves position is detailed in Table B.

## 6. **Equality Impact Assessments**

6.1 Proposals for changing levels of funding in specific areas have been subject to a screening process. Service managers have considered the implications of

proposed budgetary decisions and believe that the proposed budget protects the most vulnerable and will not disproportionately impact on protected groups.

## **7 Legal Implications**

- 7.1 Tenants will need to be notified of the proposed increase in accordance with the provisions of section 102 of the Housing Act 1985. Section 102 b) states that variation of the Rent shall be carried out in accordance with the provisions of the Tenancy Agreement. Section 2.6 of the Council's Tenancy Agreement states that Tenants must be given 4 weeks notice before any Rent change.

**Background Papers:** None

### **Appendices:**

Table A: Summarised HRA 2017/18 to 2018/19

Table B: Movement in Balances 2017/18 to 2018/19

**Table A: Summarised HRA 2017/18 to 2018/19**

<b>Classification</b>	<b>Budget 2017/18</b>	<b>Budget 2018/19</b>
	£'000	£'000
<u>Expenditure</u>		
Management and Maintenance	28,750	29,657
Capital Charges	10,096	11,085
Revenue Funding for capital schemes	24,459	24,471
<b>Total Expenditure</b>	<b>63,305</b>	<b>65,213</b>
<u>Income</u>		
Rents and other income	60,910	65,116
Use of balances	2,395	97
<b>Total Income</b>	<b>63,305</b>	<b>65,213</b>

**Table B: Movement in Balances 2017/18 to 2018/19**

<b>Description</b>	<b>£000's</b>
Actual balance at 1 <sup>st</sup> April 2017	9,821
Budgeted use 2017/18	-2,395
<b>Budgeted balance 31<sup>st</sup> March 2018</b>	<b>7,426</b>
Forecast use 2017/18	-4018
<b>Forecast balance 31<sup>st</sup> March 2018</b>	<b>5,803</b>
Budgeted use 2018/19	-97
<b>Forecast balance 31<sup>st</sup> March 2019</b>	<b>5,706</b>



## Report of the Section 151 Officer & the Director of Place

Council - 1 March 2018

### **Housing Revenue Account – Capital Budget & Programme 2017/18- 2020/21**

<b>Purpose</b>	This report proposes a revised capital budget for 2017/18 and a capital budget for 2018/19 – 2020/21
<b>Policy Framework:</b>	None
<b>Consultation:</b>	Legal, Finance & Access to Services
<b>Recommendation(s):</b>	It is recommended that: 1) The transfers between schemes and the revised budgets for schemes in 2017/18 are approved. 2) The budget proposals for 2018/19 – 2020/21 are approved. 3) That, where individual schemes in Appendix B are programmed over the 3 year period described in this report, then these are committed and approved and that their financial implications for funding over subsequent years are approved.
<b>Report Authors:</b>	Ben Smith / Mark Wade
<b>Finance Officers:</b>	Jeff Dong / Jayne James
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Ann Williams

#### 1.0 Introduction

1.1 This report details:

- Revised Housing Revenue Account (HRA) capital expenditure and financing proposals in 2017/18
- HRA Capital expenditure and financing proposals in 2018/19 – 2020/21

1.2 The budget proposals are further detailed in appendices to this report as follows:

- Appendix A: Summary of the revised budget for 2017/18 and a budget for 2018/19 – 2020/21
- Appendix B: Detailed breakdown of the revised budget for 2017/18 and a budget for 2018/19 – 2020/21
- Appendix C: Scheme descriptions

## **2.0 Capital Budget 2017/18**

- 2.1 The revised programme for the current year is £51.89m i.e. an original budget of £59.26m plus carry-forward from 2016/17 of £2.42m less slippage into 2018/19 of £9.79m. Slippage from this current year into 2018/19 is to mainly fund the external facilities scheme, More Homes pilot at Parc Y Helig and the wind and weatherproofing works in West Cross.
- 2.2 The majority of all other projects for 2017/18 are complete although a small element of under spend may exist due to a range of reasons including retentions for the defects liability period and some under spends on completed projects. Any projects not currently complete will be completed within the early part of the 2018/19 financial year and where underspend has occurred, officers have mitigated these by bringing other priority work forward to compensate. Transfers and changes to the 2017/18 budget are reflected and detailed in appendix B.

## **3.0 2018/19 – 2020/21**

- 3.1 The proposed three year capital programme and the priorities of the various schemes have been developed in line with the HRA Business Plan and reflect the results of a stock condition survey. In addition, the programme contributes towards the Council's strategic aim of improving homes up to the Welsh Housing Quality Standard (WHQS) and provision has also been made for the continuing supply of new council housing.
- 3.2 Schemes detailed in Appendix C contribute towards the key components of the Welsh Housing Quality Standard as follows:

### **In a Good State of Repair**

Dwellings must be structurally stable; free from damp and disrepair with key building components being in good condition – roofs, walls, windows, doors and chimneys.

### **Safe and Secure**

Dwellings should be free from risks that could cause serious harm and should be secure in key areas of the home. Heating and electrical systems to be up to date and safe; doors and windows to provide good levels of security; risk of falls from height to be prevented; fire safety measures to be in good condition and well designed.

### **Adequately Heated, Fuel Efficient and Well Insulated**

Dwellings must be capable of being heated adequately by ensuring heating systems are fuel efficient and properties well insulated.

### **Contain Up to Date Kitchens and Bathrooms**

Kitchen and bathroom facilities are to be relatively modern and in good condition; sufficient to meet the needs of the household and well laid out to prevent accidents.

### **Located in Attractive and Safe Environments**

Homes should be located in environments that residents can relate to and in which they are proud to live. Improvements will be required to ensure areas within the curtilage of properties are safe and communal areas and the wider shared environment is safe and attractive.

### **Suit the Specific Requirements of the Household**

The requirement is that homes meet the necessary requirements for their occupants in terms of room sizes, ensuring necessary facilities such as kitchens and bathrooms are sufficient and where required, adaptations are undertaken for persons with disabilities.

- 3.3 The More Homes Strategy for providing new Council housing has been endorsed by Council. Indicative expenditure of £3.281m over 3 years up to 2020/21 for taking forward the strategy and delivering the pilot schemes has been included in the programme.

## **4.0 Financing of HRA Capital Budget 2017/18 -2020/21**

- 4.1 The attached capital budget proposals will be funded through a combination of Welsh Government (WG's) contribution via its Major Repair Allowance (MRA) grant, revenue contributions from the HRA, and borrowing. Details are set out in Appendix A.

## **5.0 Risks**

- 5.1 The risks to the 3 year programme are similar to those set out in the HRA Revenue report. In particular, the level of MRA grant, future rent increases (which are determined by WG) and the potential effect of Welfare Reform on levels of income.

## **6.0 Equality and Engagement Implications**

- 6.1 Tenants and leaseholders have been engaged as part of the Council's Tenant Participation Strategy.

An EIA screening has been undertaken and there is no equality implications associated with the recommendations of this report, since this deals with the financial aspects of agreeing a budget for the scheme. Individual projects will take account of specific equality issues.

## **7.0 Legal Implications**

- 7.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.



## **8.0 Financial Implications**

- 8.1 Expenditure is ring fenced to the HRA and will be fully funded by MRA grant from WG, revenue contributions from the Housing Revenue Account and HRA borrowing. There are no financial implications for the Council General Fund.
- 8.2 Borrowing of £88.96 million will be required to fund the WHQS and new build programmes up to 2020/21.

### **Background Papers:**

None

### **Appendices:**

Appendix A: Summary of the HRA Capital Budget & Programme 2017/18 – 2020/21

Appendix B: A detailed breakdown of the revised budget for 2017/18 and a budget for 2018/19 – 2020/21

Appendix C: Scheme Descriptions

Summary of HRA Capital Budget and Programme 2017/18 to 2020/21					
	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000
<b>HRA Subsidy Reform</b>					
<b>Good State of Repair</b>					
Wind and weatherproofing	4,482	4,793	2,685	4,100	16,060
System built houses and highrise Blocks	7,399	6,754	8,730	12,200	35,083
Roofing	2,201	1,211	1,200	1,425	6,037
Windows, doors and general repairs	650	1,175	215	215	2,255
<b>Safe and Secure</b>					
Fire Safety	1,131	1,839	450	250	3,670
Electrical Rewiring	539	595	540	320	1,994
Passenger Lifts	318	436	300	230	1,284
<b>Adequately Heated, Fuel Efficient &amp; Well Insulated</b>					
Heating Systems	1,221	630	430	400	2,681
Energy Efficiency and Grant Support	£534	275	150	150	1,109
<b>Contain Up to Date Kitchens and Bathrooms</b>					
Kitchens and Bathrooms	25,251	22,803	26,052	17,434	91,540
<b>Located in Attractive and Safe Environments</b>					
Environment - Within the Curtilage	2,038	9,351	12,135	10,015	33,539
Estate Based Environment	1,302	2,000	2,100	2,000	7,402
<b>Meeting Requirements of the Household</b>					
Adaptations	2,750	2,750	2,750	2,750	11,000
<b>More Homes</b>					
	2,070	3,281			5,351
<b>Total</b>	<b>51,886</b>	<b>57,893</b>	<b>57,737</b>	<b>51,489</b>	<b>219,005</b>

<b>Financed By:</b>	<b>2017/18 Revised</b>	<b>2018/19 Original</b>	<b>2019/20 Original</b>	<b>2020/21 Original</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
MRA	9,158	9,100	9,100	9,100	36,458
RCCO	26,351	24,471	22,097	20,486	93,405
Borrowing WHQS	16,200	24,322	26,540	21,903	88,965
Innovative Housing Grant	177				177
<b>Total</b>	<b>51,886</b>	<b>57,893</b>	<b>57,737</b>	<b>51,489</b>	<b>219,005</b>

HRA CAPITAL PROGRAMME	2017/18 to 2020/21					
	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Good State of Repair</b>						
Wind & Weatherproofing, Mayhill and Townhill Scheme 1	19	19				19
Wind & Weatherproofing, Mayhill and Townhill Scheme 2	6	2				2
Wind & Weatherproofing, Mayhill and Townhill Scheme 3	28	9				9
Wind & Weatherproofing, Penlan Scheme 1	461	651	326			977
Wind & Weatherproofing, Llanllienwen	979	843	120			963
Wind & Weatherproofing, Clydach					200	200
Wind & Weatherproofing, McRitchie Place	289	280	40			320
Wind & Weatherproofing, West Cross	1,611	629	1,655	1,150	1,150	4,584
Wind & Weatherproofing, West Cross Warwick Place	2		1,162			1,162
Wind & Weatherproofing, Loughor	468	495				495
Wind & Weatherproofing, Penllergaer			800			800
Wind & Weatherproofing, Cwmbwrla	650	708				708
Wind & Weatherproofing, Blaenymaes (Woodford Road)					960	960
Wind & Weatherproofing, Tirdeunaw Sheltered Complex				300		300
Wind & Weatherproofing, Pontardulais	755	846	690	825		2,361
Wind & Weatherproofing, Fforesthall					750	750
Wind & Weatherproofing, Talcoppa					280	280
Wind & Weatherproofing, Tower Gardens				210		210
Wind & Weatherproofing, Llwynceithin Sheltered & Maes Glas Flats					560	560
Wind & Weatherproofing, Various				200	200	400
Airey and Traditional Built Properties, Felindre				420		420
Resiform and Traditional Built Properties, Craig Cefn Parc	400	292	1,298			1,590
British Iron & Steel Federation (BISFs) Houses West Cross	1,100	1,060	1,054			2,114

SCHEME/PROJECT	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Good State of Repair cont'd</b>						
British Iron & Steel Federation (BISFs) Houses Gendros	23	24				24
Wimpey No Fines (WNFs) Properties, Waunarlwydd				700	700	1,400
Wimpey No Fines (WNFs) Properties, Caemawr	580	600	29			629
Trusteel Houses, Penllergaer	20	21				21
Easiform Properties, Winch Wen	680	775	1,400	1,400		3,575
Easiform & Traditional Properties, Sketty	730	824	440	890		2,154
Easiform & Wimpey No Fines Properties, Clase			990	820	800	2,610
Easiform Properties, Birchgrove			820	1,000		1,820
Highrise Flats, Dyfatty	200		200	3,500	10,700	14,400
Highrise Flats, Matthew Street	263	259	70			329
Highrise Flats, Clyne & Jeffreys Court	3,647	3,544	453			3,997
Chimney Repairs	410	360	552	400	200	1,512
Pitched Roof Renewal, Blaenymaes	602	583	29			612
Pitched Roof Renewal, Talfan Rd Carew PI Bungalows Bonymaen	246	286	6			292
Pitched Roof Renewal, Clase	18	18				18
Pitched Roof Renewal, Sketty (3 Storey Flats)	6	6				6
Pitched Roof Renewal, Clay Roofs Townhill and Port Tennant	399	451	21			472
Pitched Roof Renewal, Penlan Flats			16			16
Pitched Roof Renewal, Gower (Penclawdd, 3Xs & Llangennith)	500	371	129			500
Pitched Roof Renewal, Gorseinon & Penyrheol				500		500
Pitched Roof Renewal, Gendros	4	4				4
Pitched Roof, Various	200	122	308	200	325	955
Flat Roof Renewal, Various			150	100	100	350
Flat Roof Renewal Rheidol Court					800	800
Balcony Repairs	6	6	250			256

SCHEME/PROJECT	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Good State of Repair cont'd</b>						
Window and Door Renewal Programme Incl. Fire Escape Windows	408	212	400			612
Structural Repairs	618	343	475	200	200	1,218
Drainage Repairs and Improvements	45	45	15	10	10	80
Repairs to HRA Offices and Operational Assets – Various	44	44	30			74
Design and Scheme preparation			5	5	5	15
<b>Safe and Secure</b>						
Fire Safety General and Risk Reduction	282	265	155	100		520
Fire Safety Highrise	4,518					
Smoke and Carbon Monoxide Detectors	141	141	230	150	250	771
Fire Safety Sprinkler System - Highrise and Sheltered Complexes	356	329	1,316	200		1,845
Sprinkler System - Jeffreys Court	80	80				80
Sprinkler System - Clyne Court	388		138			138
Sprinkler System - Matthew Street		250				250
Fire Separation Between Kitchens & Stairs	20	10				10
Fire Safety Separation Between Flats	50	56				56
Electrical Rewiring	259	133	320	300	300	1,053
Electrical Rewiring Contingency			20	20	20	60
Electrical Rewiring & Emergency Lighting Communal Blocks	507	406	215	200		821
Communal Aerials			40	20		60
Passenger Lift Repair, Improvement and Provision, Various	405	318	436	300	230	1,284
<b>Adequately Heated</b>						
Boiler Replacement	1,500	1,165	600	400	400	2,565
Loft Insulation	149	160	60	50	50	320
Heating Upgrades	50	56	30	30	0	116
Energy Efficiency & Energy Grant Support	439	374	215	100	100	789

SCHEME/PROJECT	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Kitchens and Bathrooms</b>						
Kitchen & Bathroom Renewal	230	230	21,619	25,652	17,064	64,565
Kitchen & Bathroom Renewal Asbestos Management			250	250	250	750
Kitchen & Bathroom Renew 16/7 Contractor 1	626	545				545
Kitchen & Bathroom Renew 16/7 Contractor 2	546	552				552
Kitchen & Bathroom Renew 16/7 Contractor 3	71	13				13
Kitchen & Bathroom Renew 17/8 Contractor 1	10,185	12,141	494			12,635
Kitchen & Bathroom Renew 17/8 Contractor 2	6,111	5,090	111			5,201
Kitchen & Bathroom Renew 17/8 Contractor 3	4,074	5,480	129			5,609
Kitchen & Bathroom Renew 17/8 CBS	1,500	1,200				1,200
Kitchen & Bathroom Renewal Contingency			200	150	120	470
<b>Located in Safe Attractive Environment</b>						
<b>Environment - Within the Curtilage</b>						
External Facilities Scheme	1,443		8,950	12,000	10,000	30,950
External Facilities Contingency	62	62				62
External Facilities Scheme Gorseinon Contract 1	317	316	30			346
External Facilities Scheme Gorseinon Contract 2	367	340	26			366
External Facilities Scheme Penlan 17/18	1,030	1,030				1,030
Meter Boxes, Various			15	15	15	45
Voice Entry Systems, Various	505	290	330	120		740
<b>Environment - Estate Based</b>						
General Environmental Improvement Schemes	1,302	1,302	2,000	2,100	2,000	7,402
			0			
<b>Meeting the Needs of the Household</b>			0			
Adaptations Internal	2,000	2,000	2,000	2,000	2,000	8,000
Adaptations External	750	750	750	750	750	3,000

SCHEME/PROJECT	2017/18	2017/18	2018/19	2019/20	2020/21	Total
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
<b>More Homes</b>						
More Homes Pilot - Parc Y Helig	2,693	393	2,757			3,150
More Homes Pilot – Milford Way	1,682	1,572	100			1,672
Conversion and Acquisition	624	105	424			529
<b>Total</b>	<b>£61,679</b>	<b>£51,886</b>	<b>£57,893</b>	<b>£57,737</b>	<b>£51,489</b>	<b>£219,005</b>



## HRA 3 Year Capital Programme

### Scheme Description

#### Good State of Repair

##### **Wind and Weatherproofing**

Wind and Weatherproofing - will repair and upgrade the external fabric to maintain structural integrity, improve weather protection and thermal efficiency. Work typically includes renewing roofs and rainwater goods, wall tie renewal, application of external wall insulation and where required new front and back doors, repairs to paths, steps, handrails, fencing and facilities within the curtilage of the home where necessary. In some instances, improvements to fire safety may be undertaken also. These contracts will operate over the period of this three year programme. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

##### **Airey Properties**

Airey properties are of a concrete panel type construction and were built in the early 1950s. Externally, work will include renewing roofs and rainwater goods, repairs to the structure, wall cladding may be removed and renewed depending on the most effective solution and where required new front and back doors, repairs to paths, steps, handrails, fencing and facilities within the curtilage of the home where necessary. Internally, work will include kitchens and bathrooms as part of the refurbishment and in some instances, improvements to fire safety may be undertaken also. The repair scheme will secure the long term structural integrity of the properties, improve weather protection, provide new kitchens and bathrooms and increase the thermal efficiency of the dwellings. Due to location, these properties are not connected to the mains gas grid and subject to costs, the scheme may include renewable energy systems as part for the project and investment may support energy grants. This scheme may operate beyond a single financial period. This contract may be subject to planning permission requirements and officers will submit planning applications as necessary.

##### **Resiform Properties**

Resiform properties are of a timber frame and fiberglass panel type construction and were built in the 1970s. Work will include renewing roofs and rainwater goods, repairs to the structure, application of external wall insulation and where required new front and back doors, repairs to paths, steps, handrails, fencing and facilities within the curtilage of the home where necessary. In some instances, improvements to fire safety may be undertaken also. The repair scheme will secure the long term structural integrity of the properties, improve weather protection and increase the thermal efficiency of the dwellings. Subject to costs and the availability of energy saving grants and City Deal funding, the scheme may include renewable technology systems, battery storage and new heating systems for the purpose of testing technology and providing energy efficient homes. This scheme may be subject to planning permission requirements and officers will submit planning applications as necessary.

##### **British Iron & Steel Federation (BISFs) Houses**

BISF houses are of a steel frame construction built in the 1950s. The scheme is designed to repair and maintain the structural integrity, improve thermal efficiency, weather protection and improve the main facilities within the home and, where necessary in the garden. The specification of work includes roof renewal, insulated render system and

door renewal, boiler replacement, electrical rewiring, kitchens and bathrooms and where required repairs to paths, steps, handrails, fencing and facilities within the curtilage of each home. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

### **Wimpey No Fines Houses**

Wimpey No Fines are properties built with solid concrete walls and the repair scheme will address structural cracking where present and will include application of insulated render to improve thermal efficiency and weather protection, roof covering and door renewal. Where required, repairs to paths, steps, handrails, fencing and facilities within the curtilage of each home may be undertaken. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

### **Easiform Properties**

Easiform properties are typically a poured concrete construction built in the 1950s and 1960s. The scheme will secure the long term structural integrity of the properties, improve the weather protection and particularly improve the thermal efficiency of the properties. The scope of work will include roof repairs, wall repairs and insulation, improvement to balconies where present and minor upgrades to fire safety where required. Where necessary, the scheme will include repairs to paths, steps, handrails, fencing and facilities within the curtilage of each home. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

### **Refurbishment of Highrise Flats**

The Council's high rise blocks were all built in the early 1960s and now require repairs to ensure their continued use over the long term. The schemes will protect the structures of the blocks; improve their weather resistance, thermal efficiency and their fire safety. The flats will also receive improvements to internal facilities for individual homes as well as communal areas.

For individual flats, the schemes will provide new kitchens and bathrooms including associated work and improved kitchen layout. Electrical rewiring will be renewed where required, improvements to heating systems and new boilers, integrated television reception systems, new door entry systems and upgrades to fire safety will also be included such the installation of sprinklers, fire stopping and improved fire separation. Where feasible, redundant storage areas will be converted to provide new additional units of accommodation.

Externally, the work will include a new roof, balcony rails, repairs to balcony slabs, insulated cladding across the walls, new double glazed windows, upgrades to fire protection, revised CCTV systems where required, improved entrances, renewal of the communal electrical wiring and lighting, and improvements to the decoration.

The local environment may receive upgrades to paths and areas of hard and soft landscaping, possible removal of garages and improvements to the immediate HRA owned environment. Additional resident parking may be provided where required and achievable.

The project is expected to take over three years to complete and will run across the full time scale of this reporting period. Schemes will be subject to planning permission requirements and officers will submit planning applications as necessary.

### **Chimney Repairs**

Where chimneys are in poor condition, work will involve repairing, rebuilding or taking away the chimney if it is no longer required. The work will prevent damp and minimise

repairs for the response repair service and will be an ongoing scheme over the three year reporting period.

### **Pitched Roof and Flat Roof Renewal**

Pitched and flat roof renewal includes repairing the roof structure and chimneys, providing insulation where required and replacing the roof covering to ensure long term weather protection. Contracts are expected to run over the period of this three year programme.

### **Balcony Repairs**

Balconies will be repaired and improved to ensure they remain in good condition and safe to use. Repairs will include new balcony rails, repairs to the balcony slabs and floor surface.

### **Window and Door Renewal**

Replacement of windows and doors which are at the end of their useful life or require upgrading, the new units will improve thermal efficiency and security. A small number of windows will be replaced to provide a means of escape in selected areas as required. Where necessary, fire doors will be renewed in flats to ensure they achieve suitable fire safety.

### **Structural Repairs**

Structural Repairs will treat free standing or retaining structures where there is failure or disrepair, subsidence, heave or movement cases, and other structural elements that are considered to be in need . Where required, the budget will meet the cost for demolition of properties including any buy back of properties within blocks of flats as required.

### **Drainage and drainage protection**

Where existing drainage is in disrepair or in need of upgrading or there is a need to address changes in demand, the scheme will look to improve selected sites and may include amongst other items: new systems, alternative or new layouts and/or expansion of current systems.

### **Repairs to HRA Offices and Operational Assets – Various**

The scheme is to carry out repairs and renewal to HRA offices and assets where required. The work will include various items relating to the structure, fabric, electrical, mechanical and elements within the curtilage.

### **Design and Scheme preparation**

Investment will meet the cost of early design and preparation of schemes contained within this report.

## **Safe and Secure**

### **General Fire Safety and Risk Reduction – Various Locations**

A range of fire safety and risk reduction measures will be undertaken to homes and HRA buildings across the Council. Work will be varied but may include the provision of up-to-date fire safety signage and other fire safety communication, upgrading fire stopping materials, minor changes to layout and access routes, specialist intrusive investigations in relation to improvement work, safety improvements to communal stairs, fire barriers, upgrades to fire firefighting equipment and material and improvements to fire warning systems.

### **Fire Safety Highrise**

Budget set up as a contingency to meet possible fire safety issues in high rise flats following Grenfell Tower fire in 2017.

### **Smoke Alarms and Carbon Monoxide Detectors**

Hard wired smoke alarms, heat detectors and carbon monoxide detectors in homes are renewed to ensure uninterrupted service. The project will be ongoing and will run over the period of this three year programme.

### **Fire Safety Sprinkler Systems – Highrise and Sheltered Complexes**

The scheme will install a sprinkler system to individual flats and communal areas of highrise blocks and older person sheltered complexes. The aim is to improve the fire safety for the residents.

### **Electrical Rewiring – Various Locations**

Homes with electrical installations that are approximately 30 years will be rewired as part of a planned scheme. The project will be a long term contract and will run over the period of this three year programme.

### **Electrical Rewiring Contingency – Various Locations**

Properties will be rewired where an electrical inspection has identified that this is necessary.

### **Electrical Rewiring Communal Blocks and Emergency Lighting**

The electrical wiring in communal areas will be rewired where the existing installations are approximately 30 years old or where an electrical inspection has identified that this is required. The scope of the work will include the provision of new electrical wiring, emergency lighting, new communal aerial facilities, fire alarms, IT systems, warning or helpline systems and communal fire alarm system as required. This contract will operate over the period of this report.

### **Communal Aerials**

The scheme is to repair or renew and upgrade existing communal aerial systems in housing accommodation. The majority of work will take place in older person sheltered accommodation and blocks of flats. The work will include upgrading and renewing aerial and satellite systems.

### **Passenger Lift Repair, Improvement and Provision – Various Locations**

The Housing Service has responsibility for passenger lifts within its block of flats and sheltered accommodation. The investment is to meet the cost of assessment, design and repair, improvement, alteration or renewal to passenger lifts and associated work where there are defects (or at the end of their useful life) to ensure continued safe and long term provision. Where there is sufficient requirement, new provision may be included at selected sites. Various Locations will be affected.

## **Adequately Heated**

### **Boiler Replacement – Various Locations**

Heating systems will be renewed as part of a long term programme aimed at improving efficiency and reliability. This contract is ongoing and will run over the period of this three year programme.

### **Heating Upgrades – Various Locations**

The scheme is designed to provide fuel switching to council homes e.g. coal to gas, storage heaters to gas etc. as well as provide minor improvements to heating systems including time clocks and room thermostats.

### **Loft Insulation**

The scheme will improve loft insulation levels in council homes with the aim of improving thermal efficiency of homes across Swansea. This contract will operate over the period of this three year programme.

### **Energy Efficiency Measures and Energy Grant Support – Various**

This investment is to meet the costs directly and/or support grants for measures that contribute towards improving thermal efficiency in council homes. Work may include Solar Photovoltaics, Solar Hot water, battery storage, air source or ground source heat pump, insulation measures including wall insulation or other emerging energy saving technology / applications to homes and which can provide a benefit to council tenants. The work will be ongoing and is expected to run over the period of this three year programme.

## **Kitchen and Bathroom Renewal**

### **Kitchen and Bathroom Renewal**

The investment will be to improve the internal living facilities, making these more safe and useable. Work may include, depending on requirements, alterations or replacement to electrical wiring, replacement central heating systems, renewing food preparation surfaces, storage and cooking areas, minor kitchen layout alterations, flooring, decorative finishes including tiling and where required the renewal of sanitary facilities. Where required, the scheme will include general improvements to the home to enable kitchens and bathrooms to be improved, for example damp treatment, floor slab repairs/renewal or structural alteration to improve space and circulation within the home. The scheme will also include alterations and adaptations to kitchen and bathrooms where the occupants are identified as requiring these due to illness or disability. Contracts will operate over the period of this three year programme.

### **Kitchen and Bathroom Asbestos Management**

Investment is to meet costs of managing asbestos in relation to works to kitchen and bathroom renewal. The purpose is to ensure tenants remain safe in their homes and the Council meets its statutory obligations.

### **Kitchen and Bathroom Renewal Contingency**

The investment will be to renew kitchens and bathrooms where additional investment is required to empty homes in order to make ready for letting.

## **Located in Safe/Attractive Environments**

### **Environment - Within the Curtilage**

#### **External and Communal Facilities (Including Fencing/Walls/Hardstanding & Paths)**

The scheme will undertake repairs to the external facilities within the curtilage of homes and communal areas of blocks of flats to ensure they are reasonably safe and practicable areas. Garden areas can vary considerably from property to property and therefore the work will be tailored to the needs of individual homes, but will broadly include minor repairs or partial replacement of fencing and boundary walls, walls within the curtilage, paths, steps, handrails, drying facilities, clearance and or planting where necessary or lighting to communal areas. Where some facilities are no longer viable, these may be removed.

## **Environment – Estate Based**

### **General Environmental Improvement Schemes**

The scheme is to improve areas belonging to the Housing Revenue Account element of the Housing Service which are outside the curtilage of individuals' homes. The schemes will be based on consultation exercises with stakeholders as well as repairs necessary for the Housing Service to discharge its duties as the asset holder.

## **Meeting Requirements of the Household**

### **Adaptations**

This funding is for alterations and improvements to council homes for tenants with medical conditions or disabilities. This contract is ongoing and will operate over the period of this three year programme.

## **More Homes**

### **More Homes**

The investment will be to support provision of new council housing, the conversion of existing buildings to new accommodation and all other actions set out in the agreed 'More Council Homes Strategy'.

### **Conversion and Acquisition**

The budget is for the purposes of converting and / or acquiring property into HRA accommodation.



## Report of the Section 151 Officer

Council - 1 March 2018

### Statutory Resolution – Resolutions to be Made in Accordance with the Regulations in the Setting of Council Tax 2018/2019

- (1) **That** the Council notes and adopts the statutory resolutions set out below.
- (2) **That** it be noted that at its meeting on 23<sup>rd</sup> November 2017 the Council calculated the following amounts for the year 2018/2019 in accordance with Regulations made under Section 33(5) of the Local Government Finance Act 1992 (as amended) -
- a) 89,962 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended, as its Council Tax base for the year.
- b) Parts of the Council's Area –

Bishopston	1,961
Clydach	2,622
Gorseinon	3,179
Gowerton	1,953
Grovesend	412
Ilston	323
Killay	2,113
Llangennith, Llanmadoc & Cheriton	494
Llangyfelach	947
Llanrhidian Higher	1,592
Llanrhidian Lower	328
Llwchwr	3,400
Mawr	745
Mumbles	9,694
Penllergaer	1,366
Pennard	1,459
Penrice	419
Pontarddulais	2,281
Pontlliw & Tircoed	1,031
Port Eynon	435
Reynoldston	292
Rhossilli	188
Three Crosses	711
Upper Killay	572

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for dwellings in those parts of its area to which special items relate.

**(3) That** the following amounts be now calculated by the Council for the year 2018/2019 in accordance with Section 32 to 36 of the Local Government Finance Act 1992 -

- (a) £704,151,216 being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(2)(a) to (d) of the Act.
- (b) £269,932,090 being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(3)(a), 32(3)(c) and 32(3a) of the Act.
- (c) £434,219,126 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- (d) £318,687,205 being the aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of redistributed non-domestic rates, and revenue support grant less discretionary Non Domestic Rate relief.
- (e) £1,284.23 being the amount at (3)(c) above less the amount at (3)(d) above, all divided by the amount at (2)(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- (f) £1,402,726 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (g) £1,268.64 being the amount at (3)(e) above less the result given by dividing the amount at (3)(f) above by the amount at (2)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate.



(h) Parts of the Council's Area -

Bishopston	1,291.59
Clydach	1,307.28
Gorseinon	1,298.64
Gowerton	1,286.00
Grovesend & Waungron	1,283.93
Ilston	1,280.64
Killay	1,278.11
Llangennith, Llanmadoc & Cheriton	1,283.32
Llangyfelach	1,293.98
Llanrhidian Higher	1,327.74
Llanrhidian Lower	1,277.79
Llwchwr	1,293.14
Mawr	1,351.19
Mumbles	1,323.51
Penllergaer	1,279.62
Pennard	1,321.42
Penrice	1,292.51
Pontarddulais	1,306.78
Pontlliw & Tircoed	1,303.64
Port Eynon	1,281.28
Reynoldston	1,302.89
Rhossili	1,286.19
Three Crosses	1,310.88
Upper Killay	1,300.11

being the amounts given by adding to the amount at (3)(g) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (2)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

## (I) Parts of the Council's Area -

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
Bishopston	861.06	1,004.57	1,148.08	1,291.59	1,578.61	1,865.63	2,152.65	2,583.18	3,013.71
Clydach	871.52	1,016.77	1,162.03	1,307.28	1,597.79	1,888.29	2,178.80	2,614.56	3,050.32
Gorseinon	865.76	1,010.05	1,154.35	1,298.64	1,587.23	1,875.81	2,164.40	2,597.28	3,030.16
Gowerton	857.33	1,000.22	1,143.11	1,286.00	1,571.78	1,857.56	2,143.33	2,572.00	3,000.67
Grovesend & Waungron	855.95	998.61	1,141.27	1,283.93	1,569.25	1,854.57	2,139.88	2,567.86	2,995.84
Ilston	853.76	996.05	1,138.35	1,280.64	1,565.23	1,849.81	2,134.40	2,561.28	2,988.16
Killay	852.07	994.09	1,136.10	1,278.11	1,562.13	1,846.16	2,130.18	2,556.22	2,982.26
Llangennith, Llanmadoc & Cheriton	855.55	998.14	1,140.73	1,283.32	1,568.50	1,853.68	2,138.87	2,566.64	2,994.41
Llangyfelach	862.65	1,006.43	1,150.20	1,293.98	1,581.53	1,869.08	2,156.63	2,587.96	3,019.29
Llanrhidian Higher	885.16	1,032.69	1,180.21	1,327.74	1,622.79	1,917.85	2,212.90	2,655.48	3,098.06
Llanrhidian Lower	851.86	993.84	1,135.81	1,277.79	1,561.74	1,845.70	2,129.65	2,555.58	2,981.51
Llwchwr	862.09	1,005.78	1,149.46	1,293.14	1,580.50	1,867.87	2,155.23	2,586.28	3,017.33
Mawr	900.79	1,050.93	1,201.06	1,351.19	1,651.45	1,951.72	2,251.98	2,702.38	3,152.78
Mumbles	882.34	1,029.40	1,176.45	1,323.51	1,617.62	1,911.74	2,205.85	2,647.02	3,088.19
Penllergaer	853.08	995.26	1,137.44	1,279.62	1,563.98	1,848.34	2,132.70	2,559.24	2,985.78
Pennard	880.95	1,027.77	1,174.60	1,321.42	1,615.07	1,908.72	2,202.37	2,642.84	3,083.31
Penrice	861.67	1,005.29	1,148.90	1,292.51	1,579.73	1,866.96	2,154.18	2,585.02	3,015.86
Pontarddulais	871.19	1,016.38	1,161.58	1,306.78	1,597.18	1,887.57	2,177.97	2,613.56	3,049.15
Pontlliw & Tircoed	869.09	1,013.94	1,158.79	1,303.64	1,593.34	1,883.04	2,172.73	2,607.28	3,041.83
Port Eynon	854.19	996.55	1,138.92	1,281.28	1,566.01	1,850.74	2,135.47	2,562.56	2,989.65
Reynoldston	868.59	1,013.36	1,158.12	1,302.89	1,592.42	1,881.95	2,171.48	2,605.78	3,040.08
Rhossili	857.46	1,000.37	1,143.28	1,286.19	1,572.01	1,857.83	2,143.65	2,572.38	3,001.11
Three Crosses	873.92	1,019.57	1,165.23	1,310.88	1,602.19	1,893.49	2,184.80	2,621.76	3,058.72
Upper Killay	866.74	1,011.20	1,155.65	1,300.11	1,589.02	1,877.94	2,166.85	2,600.22	3,033.59
All other parts of the Council area	845.76	986.72	1,127.68	1,268.64	1,550.56	1,832.48	2,114.40	2,537.28	2,960.16

being the amounts given by multiplying the amounts at (3)(g) and (3)(h) above by the number which, in the population set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of the categories of dwellings listed in the different valuation bands.

- (4) That it be noted that for the year 2018/2019 the Police and Crime Commissioner for South Wales have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below -

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
The Police and Crime Commissioner for South Wales	155.68	181.63	207.57	233.52	285.41	337.31	389.20	467.04	544.88

- (5) That having calculated the aggregate in each case of the amounts at (3)(i) and (4) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwelling shown below –

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
<i>Bishopston</i>	1,016.74	1,186.20	1,355.65	1,525.11	1,864.02	2,202.94	2,541.85	3,050.22	3,558.59
<i>Clydach</i>	1,027.20	1,198.40	1,369.60	1,540.80	1,883.20	2,225.60	2,568.00	3,081.60	3,595.20
<i>Gorseinon</i>	1,021.44	1,191.68	1,361.92	1,532.16	1,872.64	2,213.12	2,553.60	3,064.32	3,575.04
<i>Gowerton</i>	1,013.01	1,181.85	1,350.68	1,519.52	1,857.19	2,194.87	2,523.53	3,039.04	3,545.55
<i>Grovesend &amp; Waugron</i>	1,011.63	1,180.24	1,348.84	1,517.45	1,854.66	2,191.88	2,529.08	3,034.90	3,540.72
<i>Ilston</i>	1,009.44	1,177.68	1,345.92	1,514.16	1,850.64	2,187.12	2,523.60	3,028.32	3,533.04
<i>Killay</i>	1,007.75	1,175.72	1,343.67	1,511.63	1,847.54	2,183.47	2,519.38	3,023.26	3,527.14
<i>Llangennith, Llanmadoc &amp; Cheriton</i>	1,011.23	1,179.77	1,348.30	1,516.84	1,853.91	2,190.99	2,528.07	3,033.68	3,539.29
<i>Llangyfelach</i>	1,018.33	1,188.06	1,357.77	1,527.50	1,866.94	2,206.39	2,545.83	3,055.00	3,546.17
<i>Llanrhidian Higher</i>	1,040.84	1,214.32	1,387.78	1,561.26	1,908.20	2,255.16	2,602.10	3,122.52	3,642.94
<i>Llanrhidian Lower</i>	1,007.54	1,175.47	1,343.38	1,511.31	1,847.15	2,183.01	2,518.85	3,022.62	3,526.39
<i>Llwchwyr</i>	1,017.77	1,187.41	1,357.03	1,526.66	1,865.91	2,205.18	2,544.43	3,053.32	3,562.21
<i>Mawr</i>	1,056.47	1,232.56	1,408.63	1,584.71	1,936.86	2,289.03	2,641.18	3,169.42	3,697.66
<i>Mumbles</i>	1,038.02	1,211.03	1,384.02	1,557.03	1,903.03	2,249.05	2,595.05	3,114.06	3,633.07
<i>Penllergaer</i>	1,008.76	1,176.89	1,345.01	1,513.14	1,849.39	2,185.65	2,521.90	3,026.28	3,530.66
<i>Pennard</i>	1,036.63	1,209.40	1,382.17	1,554.94	1,900.48	2,246.03	2,591.57	3,109.88	3,628.19
<i>Penrice</i>	1,017.35	1,186.92	1,356.47	1,526.03	1,865.14	2,204.27	2,543.38	3,052.06	3,560.74
<i>Pontarddulais</i>	1,026.87	1,198.01	1,369.15	1,540.30	1,882.59	2,224.88	2,567.17	3,080.60	3,594.03
<i>Pontlliw &amp; Tircoed</i>	1,024.77	1,195.57	1,366.36	1,537.16	1,878.75	2,220.35	2,561.93	3,074.32	3,586.71
<i>Port Eynon</i>	1,009.87	1,178.18	1,346.49	1,514.80	1,851.42	2,188.05	2,524.67	3,029.60	3,534.53
<i>Reynoldston</i>	1,024.27	1,194.99	1,365.69	1,536.41	1,877.83	2,219.26	2,560.68	3,072.82	3,584.96
<i>Rhossili</i>	1,013.14	1,182.00	1,350.85	1,519.71	1,857.42	2,195.14	2,532.85	3,039.42	3,545.99
<i>Three Crosses</i>	1,029.60	1,201.20	1,372.80	1,544.40	1,887.60	2,230.80	2,574.00	3,088.80	3,603.60
<i>Upper Killay</i>	1,022.42	1,192.83	1,363.22	1,533.63	1,874.43	2,215.25	2,556.05	3,067.26	3,578.47
All other parts of the Council area	1,001.44	1,168.35	1,335.25	1,502.16	1,835.97	2,169.79	2,503.60	3,004.32	3,505.04



## Report of the Section 151 Officer

Council – 1 March 2018

### Treasury Management – Interim Year Review Report 2017/18

<b>Purpose:</b>	To receive and note the Treasury Management Interim Year Review Report 2017/18
<b>Report Author:</b>	Jeffrey Dong
<b>Legal Officer:</b>	Debbie Smith
<b>Finance Officer:</b>	Ben Smith
<b>Access to Services Officer:</b>	Sherill Hopkins
<b>For Information</b>	

## 1 Background

- 1.1 This report is presented in line with the recommendations contained within the The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management which requires an interim year review of Treasury Management operations to be presented to Council

## 2 Introduction

- 2.1 Treasury Management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.” A glossary of terms is at Appendix 1.

- 2.2 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by this Council in February 2010.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead; a Mid-year Review Report and an Annual Report covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions.
5. Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body. For this Council the delegated body is the Improvement and Budget Performance Panel

This Mid-year Review Report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for the first six months of 2017/18
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy
- A review of the Council's investment portfolio for 2017/18
- A review of the Council's borrowing strategy for 2017/18
- A review of any debt rescheduling undertaken during 2017/18
- A review of compliance with Treasury and Prudential Limits for 2017/18

### **3 Economic Update**

- 3.1 After the UK surprised on the upside with strong economic growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year while robust world growth has also been supportive. However, this sector only accounts for around 10% of GDP so expansion in this sector will

have a much more muted effect on the overall GDP growth figure for the UK economy as a whole.

- 3.2 While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the Monetary Policy Committee, (MPC), meeting of 14 September 2017 managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting MPC. (Inflation actually came in at 3.0% in both September and October so that might prove now to be the peak.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.
- 3.3 At Its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.
- 3.4 However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.
- 3.5 It is also worth noting the contradiction within the Bank of England between action in 2016 and in 2017 by two of its committees. After the shock result of the EU referendum, the Monetary Policy Committee (MPC) voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a

sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was because the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the Financial Policy Committee (FPC) of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

- 3.6 One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that some consumers may have over extended their borrowing and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.
- 3.7 Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out. The appointed advisors' (Link's) forecast of rates is outlined at Appendix 2.

#### **4 Review of the Treasury Management Strategy Statement and Investment Strategy**

- 4.1 The Treasury Management Strategy Statement for 2017/18 was approved by Council in February 2017. The Council's Annual Investment Strategy, which is incorporated in the Treasury Management Strategy Statement, outlines the Council's investment priorities as follows:

- Security of capital
  - Liquidity
- And only then
- Yield

- 4.2 The Council shall aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered only appropriate to invest with highly credit rated financial institutions, using our advisor's suggested creditworthiness approach, including sovereign credit rating and credit default swap (CDS) overlay information.
- 4.3 Borrowing rates and available investment interest rates have remained low during 2017/18. Opportunities for undertaking some external borrowing was taken in February 2018 ( details below 6) as upward pressures on rates materialise.
- 4.4 As outlined in Section 3 above, there is still considerable uncertainty and volatility in financial and banking markets, both globally and in the UK following Brexit.. In this context, it is considered that the strategy approved in February 2017 is still appropriate in the current economic climate and has been reviewed in formulating the strategy for 2018/19 as funding for capital and cashflow requirements dictate.

## **5 Review of Investment Portfolio 2017/18**

- 5.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

A full list of internally managed investments held as at 30th September 2017, is shown in Appendix 3. To 30<sup>th</sup> September 2017, the portfolio has returned 0.329% against a 7 day benchmark rate of 0.22%.

## **6 Review of Borrowing Strategy**

- 6.1 As outlined in the Treasury Management Strategy 2017/18, it was planned to use internal funds to finance capital borrowing requirements in 2017/18 unless there were opportunities to externally borrow advantageously. The benefits of this strategy are twofold i.e.

- The risk of borrower(counterparty) default is reduced
- There is a reduced cost of carry ( borrowing rates v investment rates)

- 6.2 Notwithstanding the above, as outlined in 4, there was some degree of volatility ahead of the Brexit referendum where borrowing rates offered some long term value where the Authority took the opportunity to undertake the following borrowing in February 2018:

£10m for 46 years @ 2.54%

£10m for 49 years @ 2.53%

£10m for 50 years @ 2.52%

- 6.3 External debt as at 30<sup>th</sup> September 2017 is £444m at an average rate of 4.87% with a budgeted capital financing requirement of £512m



## **7 Review of Debt Rescheduling**

- 7.1 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling has been undertaken in 2017/18 to date.

## **8 Review of Compliance with Treasury & Prudential Limits**

- 8.1 It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. The Council’s approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Strategy Statement.

- 8.2 During the financial year to date the Council has operated within the Treasury limits and Prudential Indicators set out in the Council’s Treasury Management Strategy Statement and in compliance with the Council’s Treasury Management Practices. Compliance with the Prudential and Treasury Indicators are shown in Appendix 4.

## **9 Financial Implications**

- 9.1 The financial implications associated with this report have been reported at Council in February 2017 in the Revenue and Capital Budget Report 2017/18.

## **10 Legal Implications**

- 10.1 There are no legal implications associated with this report

## **11 Equality and Engagement Implications**

- 11.1 An EIA Screening has been completed and confirmed that there are no equality or engagement implications arising directly from the report

**Background papers:** The revised CIPFA Treasury Management Code of Practice 2009  
The revised CIPFA Prudential Code for Capital Finance in Local Authorities 2013  
The revised CIPFA Prudential Code for Capital Finance in Local Authorities 2017

**Appendices** Appendix 1 – Glossary of terms  
Appendix 2 – Interest Rate forecast  
Appendix 3 – Schedule of investments  
Appendix 4 - Prudential Indicators

## Treasury Management – Glossary of Terms

<b>Annualised Rate of Return</b>	Represents the average return which was achieved each year.
<b>Authorised Limit</b>	The authorised limit must be set to establish the outer boundary of the local authority's borrowing based on a realistic assessment of risks. The authorised limit is not a limit that a Council will expect to borrow up to on a regular basis. It is crucial that it is not treated as an upper limit for borrowing for capital expenditure alone since it must also encompass borrowing for temporary purposes. It is the expected maximum borrowing need, with some headroom for unexpected requirements.
<b>Bank Rate</b>	The Official Bank rate paid on commercial bank reserves i.e. reserves placed by commercial banks with the Bank of England as part of the Bank's operations to reduce volatility in short term interest rates in the money markets.
<b>Base Rate</b>	Minimum lending rate of a bank or financial institution in the UK.
<b>Borrowing</b>	In the Code, borrowing refers to external borrowing. Borrowing is defined as both:- <ul style="list-style-type: none"> <li>• Borrowing repayable with a period in excess of 12months</li> <li>• Borrowing repayable on demand or within 12months</li> </ul>
<b>Capital Expenditure</b>	The definition of capital expenditure starts with all those items which can be capitalised in accordance with the Statement of Recommended Practice (SORP). To this must be added any items that have/will be capitalised in accordance with legislation that otherwise would not be capitalised. Prudential indicators for current and future years are calculated in a manner consistent with this definition.
<b>Capital Financing Charges</b>	These are the net costs of financing capital i.e. interest and principal, premia less interest discounts received.
<b>Capital Financing Requirement</b>	The Capital Financing Requirement is capital expenditure, which needs to be financed from borrowing.

	It is essentially a measure of the Council's underlying borrowing need.
<b>CIPFA</b>	The Chartered Institute of Public Finance and Accountancy. One of the leading professional accountancy bodies in the UK and the only one which specialises in the public services.
<b>Counterparty</b>	The organisations responsible for repaying the Council's investment upon maturity and for making interest payments.
<b>CPI (Consumer Price Index)</b>	The consumer price index (CPI) is a measure of the average price of consumer goods and services purchased by households. It is one of several price indices calculated by national statistical agencies. The percent change in the CPI is a measure of inflation.
<b>Credit Rating</b>	<p>This is a scoring system that lenders use to determine how credit worthy borrowers are.</p> <p>The Credit Rating components are as follows:</p> <ol style="list-style-type: none"> <li>1. The AAA ratings through to C/D are long-term rating definitions and generally cover maturities of up to five years, with the emphasis on the ongoing stability of the institution's prospective financial condition. AAA are the most highly rated, C/D are the lowest. This Council does not invest with institutions lower than AA - for investments over 364 days</li> <li>2. F1/A1/P1 are short-term rating definitions used by Moody's, S&amp;P and Fitch Ratings for banks and building societies based on their individual opinion on an institution's capacity to repay punctually its short-term debt obligations (which do not exceed one year). This Council does not invest with institutions lower than F1/A1/P1 for investments under 364 days.</li> </ol>
<b>Debt</b>	For the purposes of the Code, debt refers to the sum of borrowing (see above) and other long-term liabilities (see below). It should be noted that the term borrowing used in the Act includes both borrowing as defined for the balance sheet and other long terms liabilities defined as credit arrangements through legislation.

<b>Debt Management Office (DMO)</b>	Government Agency responsible for the issuance of government borrowing and lending.
<b>De- leveraging</b>	Paying back borrowed sums of money
<b>Discounts</b>	Where the prevailing interest rate is higher than the fixed rate of a long-term loan, which is being repaid early, the lender can refund the borrower a discount. This is calculated on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender is able to offer the discount, as their investment will now earn more than when the original loan was taken out.
<b>Financing Costs</b>	<p>The financing costs are an estimate of the aggregate of the following:-</p> <ul style="list-style-type: none"> <li>• Interest payable with respect to borrowing</li> <li>• Interest payable under other long-term liabilities</li> <li>• Gains and losses on the repurchase or early settlement of borrowing credited or charged to the amount to be met from government grants and local taxpayers (premiums and discounts)</li> <li>• Interest earned and investment income</li> <li>• Amounts required in respect of the minimum revenue provision plus any additional voluntary contributions plus any other amounts for depreciation/impairment that are charged to the amount to be met from government grants and local taxpayers</li> </ul>
<b>Financial Reporting Statements (FRSs)</b>	These are standards set by governing bodies on how the financial statements should look.
<b>Gilts</b>	Gilts are bonds issued by the UK government. The term is of British origin, and refers to the securities certificates issued by the Bank of England, which had a gilt (or gilded) edge.
<b>Investments</b>	<p>Investments are the aggregate of:-</p> <ul style="list-style-type: none"> <li>• Long term investments</li> <li>• Short term investments (within current assets)</li> <li>• Cash and bank balances including overdrawn balances</li> </ul>
<b>IMF</b>	International Monetary Fund
<b>Leverage</b>	Borrowed sums of money

<b>LOBO (Lender's Option/ Borrower's Option)</b>	Money Market instruments that have a fixed initial term (typically one to ten year) and then move to an arrangement whereby the lender can decide at pre-determined intervals to adjust the rate on the loan. At this stage the borrower has the option to repay the loan.
<b>London Inter-Bank Bid Rate (LIBID)</b>	The interest rate at which major banks in London are willing to borrow (bid for) funds from each other.
<b>Managed Funds</b>	<p><u>In-House Fund Management</u> Surplus cash can be managed either by external fund managers or by the Council's staff in-house. The in-house funds are invested in fixed deposits through the money markets.</p> <p><u>Externally Managed Funds</u> Fund managers appointed by the Council invest surplus cash in liquid instruments such as bank certificates of deposit and government stocks. The fund managers' specialist knowledge should ensure a greater diversification of investments and higher expected returns</p>
<b>Maturity</b>	The date when an investment is repaid or the period covered by a fixed term investment.
<b>Monetary Policy Committee (MPC)</b>	This is a body set up by the Government in 1997 to set the repo rate (commonly referred to as being base rate). Their primary target (as set by the Government) is to keep inflation within plus or minus 1% of a central target of 2% in two years time from the date of the monthly meeting of the Committee. Their secondary target is to support the Government in maintaining high and stable levels of growth and employment.
<b>Money Market</b>	<p>Consists of financial institutions and deals in money and credit.</p> <p>The term applied to the institutions willing to trade in financial instruments. It is not a physical creation, but an electronic/telephone one.</p>
<b>Net Borrowing</b>	For the purposes of the Code, net borrowing refers to borrowing (see above) net of investments (see above).
<b>Net Revenue Stream</b>	Estimates for net revenue stream for current and future years are the local authority's estimates of the

	amounts to be met from government grants and local taxpayers.
<b>Operational Boundary</b>	This is based on expectations of the maximum external debt of the authority according to probable not simply possible – events and being consistent with the maximum level of external debt projected by the estimates. It is not a limit and actual borrowing could vary around this boundary for short periods.
<b>Other Long Term Liabilities</b>	The definition of other long term liabilities is the sum of the amounts in the Council's accounts that are classified as liabilities that are for periods in excess of 12months, other than borrowing (see definition above).
<b>Premature Repayment of Loans (debt restructuring/ rescheduling)</b>	A facility for loans where the Council can repay loans prior to the original maturity date. If the loan repaid has a lower interest rate than the current rate for a loan of the same maturity period the Council can secure a cash discount on the repayment of the original loan. If the loan replaced has a higher rate of interest than the current rate for a loan of the same maturity period, a cash penalty is payable to the lender.
<b>Premia</b>	Where the prevailing current interest rate is lower than the fixed rate of a long term loan, which is being repaid early, the lender can charge the borrower a premium. This is calculated on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender may charge the premium, as their investment will now earn less than when the original loan was taken out.
<b>Prudential Code</b>	The Prudential Code is the largely self regulatory framework outlined by CIPFA for managing/monitoring capital investment in local government.
<b>Public Works Loan Board (PWLB)</b>	A Government agency which provides loans to local authorities. Each year, it issues a circular setting out the basis on which loans will be made available and a quota formula for the amount that can be borrowed. Loans can be either at a fixed rate or on a variable rate basis. They can be repaid on either an annuity, equal instalment of principal or maturity basis. The interest rate charged is linked to the cost at which the Government itself borrows.

<b>Quantitative Easing</b>	<p>Extreme form of monetary policy used to stimulate an economy where interest rates are either at or close to zero. Normally a central bank stimulates the economy by lowering interest rates but when it cannot lower them further it can attempt to seed the system with new money by quantitative easing.</p> <p>In practical terms, the central bank purchases financial assets including government debt and corporate bonds from financial institutions using money it has created by increasing its own credit limits in its own bank accounts. Also known as 'printing money' although no extra physical cash is created.</p>
<b>Risk</b>	<p><u>Credit /Counterparty Risk</u> The risk that counterparty defaults on its obligations.</p> <p><u>Inflation Risk</u> The risk that growth in the Authority's investment income does not keep pace with the effects of inflation on its expenditure.</p> <p><u>Interest Rate Risk</u> The risk that changes in rates of interest creates an unexpected or unbudgeted burden on the Council's finances.</p> <p><u>Liquidity Risk</u> The risk that cash will not be available when it is needed.</p> <p><u>Operational Risk</u> The risk of loss through fraud, error, corruption, system failure or other eventualities in treasury management dealings, and failure to maintain effective contingency management arrangements.</p> <p><u>Refinancing Risk</u> The risk that the Authority is unable to replace its maturing funding arrangements on appropriate terms.</p>
<b>Set Aside Capital Receipts</b>	A proportion of money received by the Council for the sale of fixed assets must be set aside to repay debt.
<b>SORP</b>	Statement of Recommended Practice, published by CIPFA (Local Authority Accounting Body). This sets out guidelines regarding the Council's financial matters.

<b>Specified/Non Specified investments</b>	Specified investments are sterling denominated investments for less than 364 days as identified in Appendix A in line with statutory investment regulations. Non-specified investments are all other investments identified in Appendix A in line with statutory investment regulations.
<b>Supranational Bonds</b>	These are bonds issued by institutions such as the European Investment Bank and World Bank. As with Government bonds (Gilts) they are regarded as the safest bond investments with a high credit rating.
<b>Temporary Borrowing and Investment</b>	Loans which are capable of being repaid within one year. The term of the loans will be negotiated from overnight to 364 days.
<b>Treasury Management</b>	<p>Treasury management has the same definition as in CIPFA's code of Practice of Treasury Management in the Public Services.</p> <p>"The management of the organisation's cash flows its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."</p>
<b>Yield Curve</b>	The line resulting from portraying interest rate graphically for a series of periods, e.g. 7days, 1month, 3, 6, 9, and 12months. When longer-term interest rates are higher than short-term rates the yield curve slopes upwards and is described as positive. When the opposite prevails the yield curve is referred to as inverse.



## Appendix 2

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB View	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

## Appendix 3

### Investments as at 30th September 2017

Counterparty	£
Bank of Scotland	7,162,652.22
Santander Bank	13,300,000.00
Blackburn with Darwen Borough Council	2,000,000.00
Coventry Building Society	12,000,000.00
Eastleigh Borough Council	1,000,000.00
Goldman Sachs	10,500,000.00
Nationwide Building Society	4,000,000.00
Suffolk County Council	3,000,000.00
Thurrock Borough Council	3,000,000.00
	<b>52,962,652.22</b>

## APPENDIX 4

### Prudential Indicators

Capital Prudential Indicators	2016/17	2017/18
	Outturn	Original Estimate
	£'000	£'000
<b>Capital Expenditure</b>		
GF	49,783	38,284
HRA	51,953	59,259
TOTAL	101,736	97,543
<b>Ratio of financing costs to net revenue stream</b>	%	%
GF	6.71	6.90
HRA	13.44	16.44
<b>Incremental Impact on Council Tax (Band D) or Council House Rent</b>	£	£
GF	92.20	111.41
HRA	38.20	140.42
<b>Capital Financing Requirement</b>	£'000	£'000
GF	342,367	357,987
Credit Arrangements	620	893
HRA	155,755	153,545
TOTAL	498,742	512,425

Treasury Management Prudential Indicators	2016/17	2017/18
	Outturn	Original Estimate
	£'000 or %	£'000 or %
Authorised limit for external debt	444,639	615,573
Operational boundary for external debt	444,639	555,573
Upper limit for fixed interest rate exposure	77.96%/ £346,640	100%
Upper limit for variable interest rate exposure	22.04%/ £98,000	40%
Upper limit for total principal sums invested for over 364 days	0	40,000

<b>Maturity Structure of Fixed Rate Borrowing in 2017/18</b>			
	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual</b>
Under 12 months	50%	0%	0.15%
12 months and within 24 months	50%	0%	0.15%
24 months and within 5 years	50%	0%	0.6%
5 years and within 10 years	85%	0%	6.1%
10 years and above	95%	15%	93%

The treasury management prudential indicators identified above as:

- Upper limit for fixed interest rate exposure
- Upper limit for variable interest rate exposure
- Upper limit for total principal sums invested for over 364 days
- Maturity Structure of fixed rate borrowing in 2017/18

Above figures are as at 30<sup>th</sup> September 2017. None of the above limits/Prudential Indicators have been breached during 2017/18.



## Report of the Section 151 Officer

Council – 1 March 2018

### Appointment of Lay Member of the Audit Committee

<b>Purpose:</b>	To consider the recommendation of the Appointments Committee and to appoint a Lay Member to the Audit Committee in order to comply with the Local Government (Wales) Measure 2011.
<b>Policy Framework:</b>	None
<b>Consultation:</b>	Access to Services, Finance, Legal
<b>Recommendation(s):</b>	The Appointments Committee of 1 February 2018 recommended that: 1) Paula O'Connor be appointed as Lay Member of the Audit Committee as of 1 March 2018; 2) Her term of Office end at the next Local Government Election, currently scheduled for May 2022.
<b>Report Author:</b>	Simon Cockings
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

- 1.1 The Local Government (Wales) Measure 2011 requires that each council shall appoint an Audit Committee in line with the recommendation made by CIPFA in 2005.
- 1.2 The Welsh Government has provided statutory guidance covering the functions and membership of the Audit Committee.

- 1.3 The City and County of Swansea has had an Audit Committee for a number of years and the Measure requires that a lay member is appointed to the Audit Committee. Up to a third of the Committee's membership can be comprised of lay members but there must be at least one lay member.
- 1.4 The previous lay member retired from the role on 31 January 2018 and therefore there is a requirement to appoint a replacement. An advert was placed in the South Wales Evening Post on 17 November 2017 and a number of emails were distributed to organisations throughout Swansea.
- 1.5 The new lay member's term of office is due to end at the next Local Government Elections, currently scheduled for May 2022. However, Council can resolve to extend the lay member's term of office for one further term after 2022 should it wish to do so.

## **2. Appointments Committee**

- 2.1 As a result of the advert, 13 application forms were sent out and 3 were returned by the closing date.
- 2.2 The Appointments Committee met on the 11 January 2018 to consider the applications and agreed that all three applicants should be invited for interview.
- 2.3 The Appointments Committee of 1 February 2018 interviewed two applicants. The Committee recommend on the basis of the scoring and following consideration of the advice of the technical officer that PO be appointed by Council as Lay Member of the Audit Committee.
- 2.4 The third applicant was unable to attend the Appointments Committee and requested an alternative interview date. This request was discussed by Appointments Committee at the start of the meeting and the Committee declined the applicants request for an alternative interview date.

## **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 The relevant legislative provisions are set out in the report. The Audit Committee cannot hold a legal meeting until at least one lay member has been appointed to the Committee.

**Background Papers:** None

**Appendices:** None



## Report of the Head of Democratic Services

Council - 1 March 2018

### Nomination of Lord Mayor Elect and Deputy Lord Mayor Elect 2018-2019

<b>Purpose:</b>	To nominate the Lord Mayor elect and Deputy Lord Mayor elect for 2018-2019 to enable the arrangements for the Inauguration of the Lord Mayor and Deputy Lord Mayor event to proceed.
<b>Policy Framework:</b>	Lord Mayor and Deputy Lord Mayor Protocol.
<b>Consultation:</b>	Political Group Leaders and their Deputies, Access to Services, Finance, Legal.
<b>Recommendation(s):</b>	It is recommended that:  1) Councillor David Phillips be nominated Lord Mayor Elect 2018-2019;  2) Councillor Peter M Black be nominated Deputy Lord Mayor Elect 2018-2019.
<b>Report Author:</b>	Huw Evans
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 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. Nominations

- 2.1 In line with the Protocol, the Head of Democratic Services sent an e-mail to the Political Group Leaders and their Deputies on 30 January 2018 informing them that the candidates for the posts of Lord Mayor and Deputy Lord Mayor

Elect 2018-2019 met the criteria for nomination as outlined within the Protocol.

2.2 The candidates being:

Councillor David Phillips (To become Lord Mayor 2018-2019);  
Councillor Peter M Black (To become Deputy Lord Mayor 2018-2019).

2.3 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.

2.4 There was a unanimous decision that both candidates met the appropriateness test and were therefore appropriate to undertake the roles.

### **3. Equality and Engagement Implications**

3.1 There are no equality or 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 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 Ourselves 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](http://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” (31.01.2018).

Last Name	First Name(s)	Total Time Served	Municipal Year served as LM
Lewis	Richard	44 years, 8 months, 14 days	2010-2011
Thomas	Des	42 years, 2 months, 24 days	1996-1997
Burtonshaw	June	34 years, 8 months, 19 days	2002-2003
Francis-Davies	Robert	34 years, 8 months, 19 days	2001-2002
Holley	Christopher	32 years, 8 months, 22 days	2006-2007
Sullivan	Gareth	30 years, 8 months, 17 days	2008-2009
Hopkins	David	26 years, 8 months, 22 days	2016-2017
Phillips	David	24 years, 8 months, 18 days	Current Deputy Lord Mayor
Downing	Philip	21 years, 7 months, 23 days	Current Lord Mayor
Black	Peter	33 years, 8 months, 21 days	
Lloyd	Paul	20 years, 9 months, 27 days	
Child	Mark	18 years, 8 months, 18 days	
Day	Mike	18 years, 8 months, 18 days	
Jones	Mary	18 years, 8 months, 18 days	
Thomas	Graham	18 years, 8 months, 18 days	
Stewart	Robert	14 years, 8 months, 23 days	
Fitzgerald	Wendy	13 years, 7 months, 14 days	
Hood-Williams	Paxton	13 years, 7 months, 14 days	
Kirchner	Erika	13 years, 7 months, 14 days	
Philpott	Cheryl	13 years, 7 months, 14 days	
May	Peter	11 years, 1 months, 3 days	
Matthews	Penny	10 years, 6 months, 5 days	
Doyle	Ryland	9 years, 8 months, 23 days	
Evans	William	9 years, 8 months, 23 days	
Jones	Jeff	9 years, 8 months, 23 days	
Jones	Sue	9 years, 8 months, 23 days	
Morris	Hazel	9 years, 8 months, 23 days	
Richards	Christine	9 years, 8 months, 23 days	
Smith	Paulette	9 years, 8 months, 23 days	
Jardine	Yvonne	9 years, 7 months, 18 days	
Crouch	Sybil	5 years, 8 months, 21 days	
Curtice	Jan	5 years, 8 months, 21 days	
Davies	Nick	5 years, 8 months, 21 days	
Evans	Mandy	5 years, 8 months, 21 days	
Gordon	Fiona	5 years, 8 months, 21 days	
Hale	Joe	5 years, 8 months, 21 days	
Hennegan	Terry	5 years, 8 months, 21 days	
Hopkins	Beverley	5 years, 8 months, 21 days	
James	Lynda	5 years, 8 months, 21 days	
Lewis	Andrea	5 years, 8 months, 21 days	
Lloyd	Clive	5 years, 8 months, 21 days	
Raynor	Jennifer	5 years, 8 months, 21 days	
Smith	Robert	5 years, 8 months, 21 days	

Tanner	Gloria	5 years, 8 months, 21 days
Thomas	Mark	5 years, 8 months, 21 days
Tyler-Lloyd	Linda	5 years, 8 months, 21 days
Walker	Gordon	5 years, 8 months, 21 days
Walton	Lesley	5 years, 8 months, 21 days
White	Mike	5 years, 8 months, 21 days
Anderson	Cyril	2 years, 8 months, 17 days
Evans	Ceri	2 years, 8 months, 17 days
King	Elliot	2 years, 8 months, 17 days
Lewis	Mike	1 years, 8 months, 19 days
Durke	Mike	0 years, 8 months, 19 days
Gallagher	Stephen	0 years, 8 months, 19 days
Gibbard	Louise	0 years, 8 months, 19 days
Griffiths	Kevin	0 years, 8 months, 19 days
Helliwell	David	0 years, 8 months, 19 days
James	Oliver	0 years, 8 months, 19 days
Jones	Lyndon	0 years, 8 months, 19 days
Jones	Peter	0 years, 8 months, 19 days
Langstone	Myles	0 years, 8 months, 19 days
Lewis	Wendy	0 years, 8 months, 19 days
Mann	Irene	0 years, 8 months, 19 days
Pritchard	Samuel	0 years, 8 months, 19 days
Pugh	Alyson	0 years, 8 months, 19 days
Roberts	Kelly	0 years, 8 months, 19 days
Rowlands	Brigitte	0 years, 8 months, 19 days
Sherwood	Mary	0 years, 8 months, 19 days
Stevens	Andrew	0 years, 8 months, 19 days
Sykes	Mo	0 years, 8 months, 19 days
Thomas	William	0 years, 8 months, 19 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 Presiding Member, Monitoring Officer & Head of Democratic Services

Council - 1 March 2018

### Amendments to the Constitution

<b>Purpose:</b>	To make amendments in order to simplify, improve and / or add to the Council Constitution. A decision of Council is required to change the Council Constitution.
<b>Policy Framework:</b>	None.
<b>Consultation:</b>	Access to Services, Finance, Legal.
<b>Recommendation(s):</b>	It is recommended that:  1) The changes to the Council Constitution as outlined in Paragraphs 4.5, 5.1 and Appendix A of the report together with any further consequential changes be adopted.
<b>Report Author:</b>	Huw Evans
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Stephanie Williams
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

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

#### 2. Delegated Minor Corrections to the Council Constitution

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

### 3. Amendments to the Council Constitution

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

- a) Part 4 “Rules of Procedure”, Local Authority (LA) Governor Appointments Procedure”;
- b) Part 5 “Codes & Protocols”.

#### 4. Part 4 “Rules of Procedure”, Local Authority (LA) Governor Appointments Procedure”

4.1 The Local Authority (LA) Governor Appointments Procedure was adopted by Council at its meeting on 26 October 2017 and added to Part 4 “Rules of Procedure” of the Council Constitution;

4.2 The Procedure requires “*All Local Authority Governor Appointments shall be made by Cabinet following a recommendation from the Chief Education Officer in conjunction with the Cabinet Member for Children, Education and Lifelong Learning and the Councillor(s) representing the ward(s) in the catchment area of the schools’ views will be sought to input into the decision-making (Referred to within this document as Local Councillor(s))*”.

4.3 In order to save duplicating that lengthy paragraph on each occasion Local Authority Governor Appointments are required. It is proposed to amend the Procedure so that those that are required to be part of the process be referred to as the “Local Authority (LA) Governors Appointment Group.

4.4 Additionally to ensure that the process is not delayed if the Chief Education Officer or Cabinet Member for Children, Education and Lifelong Learning are not available. An amendment is proposed to allow for a representative to participate on their behalf.

4.5 In order to facilitate these amendments it is proposed that Paragraph 1 of the Procedure be amended to read as follows. The amendment being to add the words in bold:

“1. All Local Authority Governor Appointments shall be made by Cabinet following a recommendation from the **Local Authority (LA) Governor Appointments Group, which consists of the Chief Education Officer or their representative** in conjunction with the Cabinet Member for Children, Education and Lifelong Learning **or their representative** and the Councillor(s) representing the ward(s) in the catchment area of the

*schools' views will be sought to input into the decision-making (Referred to within this document as Local Councillor(s))."*

**5. Part 5 "Codes & Protocols".**

- 5.1 The "Hospitality Protocol" currently sits within the Councillors Handbook. As the Protocol relates to Councillors and Officers it is proposed that it be removed from the Councillors Handbook and added to Part 5 "Codes & Protocols" within the Council Constitution. The Protocol has been amended slightly. A copy of the amended Hospitality Protocol is attached as **Appendix A**.

**6. Equality and Engagement Implications**

- 6.1 An Equality Impact Assessment (EIA) screening process took place prior to the consultation period. The outcome indicated that it was low priority and a full report was not required.

**7. Financial Implications**

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

**8. Legal Implications**

- 8.1 There are no legal implication associated with this report.
- 8.2 The amended version of the Council Constitution will be available at [www.swansea.gov.uk/constitution](http://www.swansea.gov.uk/constitution)

**Background Papers:** None.

**Appendices:**

Appendix A - Hospitality Protocol.

### Hospitality Protocol

#### 1. Principles

- 1.1 The Council accepts that Councillors and Officers have an important role as ambassadors for the Council, ensuring that it promotes its aims and objectives, and, by this protocol, the Council seeks to ensure that Councillors and Officers hosting or attending cultural, sporting and other such events are using those events to the Council's maximum benefit and for the benefit of the community as a whole.
- 1.2 This protocol therefore sets out guidance for Councillors and Officers on issues which commonly arise as a result of offers of hospitality. It covers both hospitality offered by the Council and hospitality offered to the Council.
- 1.3 The protocol supplements the respective Codes of Conduct which apply to Councillors and Officers and is subject to the Council's Procedure Rules.

#### 2. General Roles and Responsibilities

- 2.1 Councillors and Officers will throughout the course of a year receive many invitations to attend Council hosted functions and it is expected that Councillors and Officers attending these events will carry out an ambassadorial role on behalf of the Council, engaging as wide a section of the community as possible.
- 2.2 Attendance at Council hosted events does not require an entry in the Hospitality register if the attendance is as a result of a formal invitation. These invitations are to Councillors and Officers in their formal official role and should be treated as part of the Council's formal activities in the Community. Invitations will be issued on the basis of areas of expertise, expectations of the event and on a fair and equitable basis thereafter.
- 2.3 Any benefit received from the Council, in the form of tickets (i.e. Grand Theatre, Fireworks, Liberty Stadium etc.), invitations to events etc., which is not received by way of a formal invitation MUST be registered.
- 2.4 Councillors and Officers should be aware of the possibility that acceptance of hospitality from third parties may require that they do not participate in decisions of the Council that affect that third party, such as lettings of contracts / participation in decision making, etc.
- 2.5 Invitations to or from organisations with whom the Council may be contracting should be treated with extreme caution. Legal advice should be sought before such an invitation is extended or accepted.

- 2.6 A Hospitality Form must be completed. The form is available at [www.swansea.gov.uk/hospitality](http://www.swansea.gov.uk/hospitality)

### **3. Hospitality Registers**

- 3.1 The Monitoring Officer maintains a register of any declaration of hospitality or gift accepted by Members of more than £25 in value in accordance with:
- a) The Members Code of Conduct;
  - b) “Interests, Gifts and Hospitality of Members” within the Council Procedure Rules.
- 3.2 The Chief Executive maintains a register of any declaration of hospitality or gift accepted by Chief Officers of more than £25 in value in accordance with:
- a) The Officers Code of Conduct
  - b) “Interests, Gifts and Hospitality of Officers” within the Council Procedure Rules.
- 3.3 All gifts and hospitality over £25 in value received from any source other than formal Council invitations MUST be registered.

### **4. Enquiries**

- 4.1 If any Councillor or Officer is uncertain about any aspect of hospitality, they should seek advice from the Monitoring Officer immediately.



## Report of the Head of Democratic Services

Council - 1 March 2018

### Council Bodies Diary 2018-2019

<b>Purpose:</b>	To provide the recommendation of the Democratic Services Committee of 30 January 2018 and to present a draft Council Bodies Diary 2018-2019.
<b>Policy Framework:</b>	None.
<b>Consultation:</b>	Access to Services, Finance, Legal.
<b>Recommendation(s):</b>	It is recommended that:  1) The findings in relation to the Timing of Council Meetings survey be noted;  2) The draft Council Bodies Diary 2018-2019 be adopted subject to final approval at the Annual Meeting of Council on 24 May 2018.
<b>Report Author:</b>	Huw Evans
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

- 1.1 The Council Constitution states that the Council Diary must be approved at the Annual Meeting of Council each year. However, in order to ensure a seamless continuation of the democratic process and for Committee Rooms to be booked a draft Council Diary is presented to Council for earlier consideration but this is subject to final ratification at the Annual Meeting of Council.

#### 2. Timing of Council Meetings Survey

- 2.1 Section 6 of the Local Government (Wales) Measure 2011 requires the Authority to undertake a survey of Councillors regarding the timing and

frequency of Council meetings at least once during each term of administration.

2.2 Following the Local Government Elections in May 2017, it was deemed appropriate not to conduct the survey immediately following the election in order to allow Councillors time to understand the requirements of being a Councillor and the time commitment which it commands. As such, the Head of Democratic Services delayed the survey until 21 December 2017 with the survey ending on 12 January 2018.

2.3 The survey was compiled as an online questionnaire and a copy of the survey and results was presented to the Democratic Services Committee on 30 January 2018. The Democratic Services Committee agenda may be viewed at:

<https://democracy.swansea.gov.uk/ieListDocuments.aspx?CId=132&MID=7610&LLL=-1>

2.4 60 of the Authority's 72 Councillors (83.33%) completed the survey.

### **3. Interpreting the Outcome of the Timing of Council Meetings Survey**

3.1 The outcomes of the survey were clear in that 10.00, 14.00 and 17.00 were the favoured times to hold meetings with Friday being the least popular day. However an element of the survey is to support Councillors' needs and engage with employers to try and attract more candidates from the employed workforce. Meetings should not continue to be held at the same time simply out of inertia. What may have been tradition or an arrangement which suited the previous generation of Councillors may not necessarily serve the interests of Councillors.

3.2 The Authority must consider the needs of those Councillors in employment and with caring responsibilities etc. and seek to find a way to ensure that timings of meetings are accessible. Committee times need to be clearly publicised for the benefit of interested members of the public.

3.3 Current practice sees Council setting the dates and times of Committees and if required, Committees may at their first meeting seek to amend the times for the remainder of the year. This works reasonably well but can cause knock on problems when Committee times are amended. Issues such as room bookings, linking with Scrutiny and other bodies such as the Public Service Board and Western Bay link the timings and dates of their meetings to formal Committee meetings.

3.4 Having regard to the above, the Democratic Services Committee considered the matter and recommended that there be no change to current timings and frequency arrangements of the Committee or Council meetings. However, the Leader of the Council has indicated that he would will be moving Cabinet Meetings to 10.00 in the morning.



#### **4. Council Bodies Diary 2018-2019**

4.1 In light of the recommendation of the Democratic Services Committee, the Head of Democratic Services consulted with the Presiding Member and Leader of the Council and as a result the draft Council Bodies Diary 2018-2019 has been produced.

4.2 The Council Bodies Diary 2018-2019 is attached as **Appendix A**. The Annual Meeting of Council on 24 May 2018 will be asked to ratify the Diary in line with the Council Constitution.

#### **5. Equality and Engagement Implications**

5.1 An EIA screening form has been completed with the agreed outcome that a full EIA report is not required. Due consideration must be given to those in employment and those with caring responsibilities. This is a matter that the Democratic Services Committee and Council will consider in due course. It is also important to note that the Independent Remuneration Panel for Wales has determined that each Authority may pay up to £403 per month to a Councillor in order to assist them with the Reimbursement of Costs of Care. It is important that the Head of Democratic Services reminds Councillors of this potential assistance.

#### **6. Financial Implications**

6.1 There are no specific financial implications associated with this report.

#### **7. Legal Implications**

7.1 There are no specific legal implications associated with this report.

**Background Papers:** None.

**Appendices:**

Appendix A Council Bodies Diary 2018-2019

# June 2018

June 2018							July 2018						
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
4	5	6	7	8	9	10	2	3	4	5	6	7	8
11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28	29	30		23	24	25	26	27	28	29
							30	31					

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
28 May	29	30	31	1 Jun	2	3
4	5	6	7	8	9	10
09:30 Corporate Parenting	14:00 Planning	14:00 External Funding	14:00 Corporate Briefing	10:00 General Licensing		
11	12	13	14	15	16	17
18:00 SDF Panel 16:30 Scrutiny Programme	14:00 Audit	16:00 Education PDDC	16:00 Safeguarding PDDC	11:00 Archives		
18	19	20	21	22	23	24
	10:30 JCC		10:00 Cabinet 14:00 Econ & Infra PDDC			
25	26	27	28	29	30	1 Jul
19:00 Gower ANOB	14:00 Transformation PDDC	16:00 Poverty PDDC	17:00 Council			

# July 2018

August 2018

July 2018

Mo	Tu	We	Th	Fr	Sa	Su
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Mo	Tu	We	Th	Fr	Sa	Su
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
25 Jun	26	27	28	29	30	1 Jul
2	3 14:00 Planning	4 14:00 External Funding	5 14:00 Corporate Briefing	6	7	8
9 18:30 Scrutiny Programme	10	11 16:00 Education PDDC	12 10:00 Pension Fund 16:00 Safeguarding PDDC	13 10:00 General Licensing	14	15
16	17 14:00 Audit	18	19 10:00 Cabinet 14:00 Econ & Infra PDDC	20 10:00 Standards	21	22
23 14:00 Armed Forces	24 14:00 Transformation PDDC	25 16:00 Poverty PDDC	26 10:00 Local Pension Board 17:00 Council	27	28	29
30 17:00 Community Town Councils	31 17:00 Democratic Services	1 Aug	2	3	4	5

# August 2018

August 2018							September 2018						
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
30 Jul	31	1 Aug 14:00 External Funding	2 14:00 Corporate Briefing	3	4	5
6 09:30 Corporate Parenting	7 14:00 Planning	8 16:00 Education PDDC	9 16:00 Safeguarding PDDC	10 10:00 General Licensing	11	12
13 16:30 Scrutiny Programme	14 14:00 Audit	15	16 10:00 Cabinet 14:00 Econ & Infra PDDC	17	18	19
20	21 10:30 JCC	22 16:00 Poverty PDDC	23 17:00 Council	24	25	26
27 Bank Holiday	28 14:00 Transformation PDDC	29	30	31	1 Sep	2

# September 2018

September 2018

October 2018

Mo	Tu	We	Th	Fr	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Mo	Tu	We	Th	Fr	Sa	Su
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
27 Aug	28	29	30	31	1 Sep	2
3	4 14:00 Planning	5 14:00 External Funding	6 14:00 Corporate Briefing	7	8	9
10 10:00 SDF Panel 16:30 Scrutiny Programme	11	12 16:00 Education PDDC	13 10:00 Pension Fund 16:00 Safeguarding PDDC	14 10:00 General Licensing	15	16
17	18	19	20 10:00 Cabinet 14:00 Econ & Infra PDDC	21 11:00 Archives	22	23
24 14:00 Armed Forces 19:00 Gower ANOB	25 14:00 Transformation PDDC	26 16:00 Poverty PDDC	27 10:00 Local Pension Board 17:00 Council	28	29	30

# October 2018

November 2018

Mo	Tu	We	Th	Fr	Sa	Su
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October 2018

Mo	Tu	We	Th	Fr	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
1 Oct 09:30 Corporate Parenting	2 14:00 Planning	3 14:00 External Funding	4 14:00 Corporate Briefing	5	6	7
8 16:30 Scrutiny Programme	9 14:00 Audit	10 16:00 Education PDDC	11 16:00 Safeguarding PDDC	12 10:00 General Licensing	13	14
15 17:00 Democratic Services	16 17:00 Democratic Services	17	18 10:00 Cabinet 14:00 Econ. & Infra PDDC	19	20	21
22 10:30 JCC 14:00 Transformation PDDC	23 10:30 JCC 14:00 Transformation PDDC	24 16:00 Poverty PDDC	25 17:00 Council	26	27	28
29 School Half Term	30 School Half Term	31	1 Nov	2	3	4

# November 2018

December 2018

Mo	Tu	We	Th	Fr	Sa	Su
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November 2018

Mo	Tu	We	Th	Fr	Sa	Su
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
29 Oct	30	31	1 Nov 14:00 Corporate Briefing	2 School Half Term	3	4
5	6 14:00 Planning	7 14:00 External Funding	8 16:00 Safeguarding PDDC	9 10:00 General Licensing	10	11
12 10:00 Scrutiny Programme	13	14 16:00 Education PDDC	15 10:00 Cabinet 14:00 Econ & Infra PDDC	16 10:00 Standards	17	18
19	20	21	22 17:00 Council	23	24	25
26 14:00 Armed Forces	27 14:00 Transformation PDDC	28 16:00 Poverty PDDC	29 10:00 Pension Fund	30	1 Dec	2

# December 2018

December 2018

January 2019

Mo	Tu	We	Th	Fr	Sa	Su
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Mo	Tu	We	Th	Fr	Sa	Su
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
26 Nov	27	28	29	30	1 Dec	2
3 09:30 Corporate Parenting	4 14:00 Planning	5 14:00 External Funding	6 14:00 Corporate Briefing	7	8	9
10 16:30 Scrutiny Programme	11 14:00 Audit	12 16:00 Education PDDC	13 10:00 Local Pension Board 14:00 Econ & Infra PDDC 16:00 Safeguarding PDDC	14	15	16
17 19:00 Gower ANOB	18 10:30 JCC 14:00 Transformation PDDC	19 16:00 Poverty PDDC	20 10:00 Cabinet 17:00 Council	21	22	23
24	25	26	27	28	29	30
	Christmas Day	Boxing Day	School Christmas Holidays			
31 School Christmas Holidays Extra Statutory Day	1 Jan 19	2	3	4	5	6



# January 2019

January 2019							February 2019						
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
1	2	3	4	5	6	7	8	9	10	11	12	13	14
14	15	16	17	18	19	20	15	16	17	18	19	20	21
21	22	23	24	25	26	27	22	23	24	25	26	27	28
28	29	30	31				29	30	31				

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
31 Dec	1 Jan 19 New Years Day	2 School Christmas Holidays	3 14:00 Corporate Briefing	4	5	6
7	8 14:00 Planning	9 14:00 External Funding 16:00 Education PDDC	10 10:00 Pension Fund 16:00 Safeguarding PDDC	11 10:00 General Licensing	12	13
14 16:00 Scrutiny Programme	15	16	17 10:00 Cabinet 14:00 Econ & Infra PDDC	18	19	20
21	22 14:00 Transformation PDDC	23 16:00 Poverty PDDC	24 17:00 Council	25	26	27
28 14:00 Armed Forces	29 17:00 Democratic Services	30	31	1 Feb	2	3

# February 2019

February 2019							March 2019						
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
4	5	6	7	8	9	10	4	5	6	7	8	9	10
11	12	13	14	15	16	17	11	12	13	14	15	16	17
18	19	20	21	22	23	24	18	19	20	21	22	23	24
25	26	27	28				25	26	27	28	29	30	31

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
28 Jan	29	30	31	1 Feb	2	3
4 09:30 Corporate Parenting	5 14:00 Planning	6 14:00 External Funding	7 14:00 Corporate Briefing	8 10:00 General Licensing	9	10
11 16:30 Scrutiny Programme	12 14:00 Audit	13 16:00 Education PDDC	14 10:00 Cabinet(Budget) 16:00 Safeguarding PDDC	15	16	17
18	19 10:30 JCC	20	21 10:00 Cabinet 14:00 Econ. & Infra PDDC	22 10:00 Standards	23	24
25	26 14:00 Transformation PDDC	27 School Half Term 16:00 Poverty PDDC	28 17:00 Council	1 Mar	2	3

# March 2019

March 2019

April 2019

Mo	Tu	We	Th	Fr	Sa	Su
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
25 Feb	26	27	28	1 Mar School Half Term	2	3
4	5 14:00 Planning	6 14:00 External Funding	7 14:00 Corporate Briefing	8 10:00 General Licensing	9	10
11 16:30 Scrutiny Programme	12	13 16:00 Education PDDC	14 10:00 Pension Fund 16:00 Safeguarding PDDC	15 11:00 Archives	16	17
18	19	20	21 10:00 Cabinet 14:00 Econ & Infra PDDC	22	23	24
25 14:00 Armed Forces 19:00 Gower ANOB	26 14:00 Transformation PDDC	27 16:00 Poverty PDDC	28 10:00 Local Pension Board 17:00 Council	29	30	31

# April 2019

May 2019

April 2019

Mo	Tu	We	Th	Fr	Sa	Su
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Mo	Tu	We	Th	Fr	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
1 Apr 09:30 Corporate Parenting	2 14:00 Planning	3 14:00 External Funding	4 14:00 Corporate Briefing	5	6	7
8 16:30 Scrutiny Programme	9 14:00 Audit	10 16:00 Education PDDC	11 16:00 Safeguarding PDDC	12 10:00 General Licensing	13	14
15 10:30 JCC	16	17	18 School Easter Holidays 10:00 Cabinet 10:00 Econ & Infra PDDC	19 Good Friday	20	21
22 Easter Monday	23 14:00 Transformation PDDC	24 School Easter Holidays 16:00 Poverty PDDC	25	26	27	28
29	30 17:00 Democratic Services	1 May	2	3	4	5

# May 2019

May 2019							June 2019						
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
29 Apr	30	1 May	2 14:00 Corporate Briefing	3	4	5
6 Bank Holiday	7 14:00 Planning	8	9	10 10:00 Licensing	11	12
13 16:30 Scrutiny Programme	14	15	16 10:00 Cabinet	17 14:00 Council (Lord Mayor)	18	19
20	21	22	23 16:00 Annual Council	24	25	26
27 Bank Holiday	28	29 School Half Term	30	31	1 Jun	2

## Council – 1 March 2018

### Councillors' Questions

#### Part A – Supplementaries

<p>1</p>	<p><b>Cllrs Chris Holley, Mary Jones &amp; Wendy Fitzgerald</b></p> <p>Will the Leader/Cabinet Member tell Council what the current position is with the Recreation ground on Mumbles Road, which currently half of it is being used for car parking. Are there any plans to develop the site.</p> <p><b>Response of the Cabinet Member for Environment Services</b></p> <p>The Recreation Ground is currently operated as a paid car park on the Western side (Gravel), with the grass area being used occasionally for overflow and event car parking. Weekday car parking is available to the Council, University and students, generating income for the Council. The site also accommodates a number of events each year as a straight hire, in particular the fun fair, circus and South Wales bike ride.</p> <p>We are not aware of any plans for development in the foreseeable future, but the Council will continue to work closely with stakeholders to review all options and implications for services, budgets and access, should any material plans come forward.</p>
<p>2</p>	<p><b>Cllrs Chris Holley, Graham Thomas &amp; Peter Black</b></p> <p>Are there any plans for the future of St Helens ground which would include any form of redevelopment.</p> <p><b>Response of the Cabinet Member for Culture, Tourism &amp; Major Projects</b></p> <p>St Helens ground continues to operate as a premier Rugby and Cricket facility and as a home venue for Swansea RFC and Swansea Cricket Club. We work closely with the key stakeholders to drive participation and reduce operating costs through transformational arrangements with both clubs. This has resulted in increased use of the ground for all ages and groups across both sports. The ground will once again host Glamorgan County Cricket this summer, as part of an ongoing and long standing partnership with the St Helens balconiers.</p> <p>We are not aware of any plans for development in the foreseeable future, but the Council will continue to work closely with stakeholders to review all options and implications for services, budgets and access, should any material plans come forward.</p>
<p>3</p>	<p><b>Cllrs Linda Tyler-Lloyd &amp; Brigitte Rowlands</b></p> <p>Can the Cabinet Member confirm how many students educated in Swansea get taught basic cookery skills</p> <p><b>Response of the Cabinet Member for Children, Education &amp; Lifelong Learning</b></p>

The requirement for developing pupils' food technology skills is laid out in the current statutory key stage 2 and 3 curricula. Therefore, all pupils should have opportunities in primary and secondary schools to develop their knowledge, understanding and skills in this area.

At key stage 2, the following "range" is specified:

- plan and carry out a broad range of practical food preparation tasks safely and hygienically
- apply current healthy eating messages and consider nutritional needs when undertaking food preparation tasks
- classify food by commodity/group and understand the characteristics of a broad range of ingredients, including their nutritional, functional and sensory properties, e.g. meat, fish, fruit, vegetables

At key stage 3, the following "range" is specified:

- use a broad range of skills, techniques and equipment, as well as standard recipes, to cook meals and products
- plan and carry out a broad range of practical cooking tasks safely and hygienically
- apply current healthy eating messages in relation to the nutritional needs of different groups in society and consider issues of sustainability in order to make informed choices when planning, preparing and cooking meals or products
- classify food by commodity/group and understand the characteristics of a broad range of ingredients, including their nutritional, functional and sensory properties

The national curriculum requirements for design and technology can be found here:

<http://learning.gov.wales/docs/learningwales/publications/130424-design-and-technology-in-the-national-curriculum-en.pdf>

Pioneer schools have been freed from the requirements of the current statutory curriculum, and, therefore, do not have to adhere to these requirements, although food technology belongs to the area of learning – science and technology.

At key stage 4, food technology or catering studies is optional. In 2017, around 7% of pupils achieved a GCSE grade or equivalent in a food/catering related course.

**4 Cllrs Chris Holley, Mike Day & Gareth Sullivan**

The Bay strategy which was backed by the Welsh Government had a number of developments in the document. To date the development of the café and toilets at the 360 are currently the only outcome from that strategy. Will the Cabinet Member tell Council if there are any future plans for any other developments.

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

The Swansea Bay Strategy (2008) proposed a site specific and bay wide themed approach towards a range of development and enhancement proposals.

Since the adoption of the Strategy, progress and key areas of ongoing policy and implementation work are as set out below:

### **City Waterfront**

- Swansea Central Area Regeneration Framework (SCARF) adopted (2016) incorporating opportunities for the redevelopment of the Civic centre site, and regeneration of St. Davids site (Swansea Central) and Leisure Centre car park(Arena) with improved connections to the waterfront and Swansea Bay. The SCARF has directly informed the preparation of policies in the Swansea Local Development Plan.
- Civic Centre has been opened as a destination to the general public and to visitors: including contact centre, central library and café.
- Marina Observatory- reuse and regeneration for restaurant use.
- Swansea Marina achieving Blue Flag status – plans for pontoon.

### **St Helens**

Opening of 360 Watersports Centre and associated facilities, including provision of beach-friendly wheelchairs.

### **Sketty Lane**

- License approvals for a Coffee camper van (bottom of Singleton).
- Trim trail along the Promenade.

### **Blackpill**

- New traffic light system in Blackpill to facilitate pedestrian/cyclist use and ease traffic congestion.

### **Mumbles**

- Redevelopment of the Tivoli buildings – new restaurants and shops.
- Mumbles sea wall improvement works- completion and approval of Welsh Government funded Outline Business Case. Further Welsh Government support in 2018 to progress a scheme to design stage( £750K). The scheme will ensure future flood resilience and future regeneration opportunities.
- Review of the Mumbles Conservation Area.
- License approvals for a Coffee camper van (bottom of Singleton) and the 'Gower Seafood Hut' stall (Southend Gardens).
- Complete refurbishment of Oystermouth Castle including conservation works and new glass bridge Improvements at Knab Rock.
- Upgrade of Southend Gardens children's play area.

### **Mumbles Pier**

- First phase of restoration at Mumbles Pier and new RNLI lifeboat station open.
- Ongoing discussions on potential grant funding to support the redevelopment of the Pier Foreshore in line with the adopted Development Framework for the site and Outline Planning permission.

### **Bay Wide Themes**

#### **Bay Management**

- Innovative management of sand dunes along the bay to avoid sand blowing over Oystermouth Road and Promenade.
- Preparation of an Environmental management plan and Interpretation Strategy for Swansea Beach.



- New interactive board for water quality.
- Technical studies including Strategic flood risk assessment for the Bay and priority sites to inform future infrastructure needs and enable development to progress.

**Sustainable Transport**

- Park & Ride ticket extension to access Mumbles / Gower from Swansea Bus Station to promote sustainable transport.
- Launch of Swansea Bay cycle route tube map to encourage cycling around the destination.
- Car park improvement, including the introduction of transferable tickets across all foreshore car parks.
- Coach drop-off point at Bracelet Bay car park.
- Opening of the 'All Wales Coast Path' linking the bay with Mumbles and the Gower Peninsula.

**Marketing and Events**

- Annual events along the bay – Airshow, Swansea Bay 10K, Waterfront Winterland, large-scale concerts in Singleton Park .
- 2018 'Year of the Sea' marketing campaign / videos – led by Tourism Team (more details on request).

**5 Cllrs Peter May & Irene Mann**

This question is about the residents parking permit issuing system.

The documentation needed to apply for a full 1 year residents' parking permit is a council tax number or tenancy agreement, and a V5 log book to prove that the vehicle is registered at the permit address in Swansea. Applicants for residents' parking permits who cannot supply the V5 can apply for and be granted a temporary 2 month permit online. The council uses software from a company called MiPermit to carry out this issuing function.

a. On expiry of the temporary 2 month permit, does the MiPermit system block an immediate fresh application and issue of another temporary 2 month permit for the same vehicle at the same address if the applicant still does not have the correct documentation.

b. If it does, how long does an applicant have to wait before the MiPermit system will allow a successful application for another temporary permit for the same vehicle and address.

**Response of the Cabinet Member for Environment Services**

Answer 1a - The Council no longer issues temporary permits, this was the process under the old paper system. All requests are now made online and a permit becomes valid immediately upon successful application online, however, if the necessary evidence is not supplied within the deadline requested then the permit will be revoked. The evidence we require is:

The V5C log book for the vehicle showing it is kept at the address in Swansea where they live and giving their name as the owner

Utility bill or driving licence at the Swansea address

	<p>They must appear on the electoral register at the Swansea address</p> <p>Provide their Council Tax Reference Number or Tenancy Agreement</p> <p>The terms and conditions of a residents permit are as below link:</p> <p><a href="https://www.swansea.gov.uk/parkingpermittermsandconditions">https://www.swansea.gov.uk/parkingpermittermsandconditions</a></p> <p>The system will only allow two successful applications per property irrespective of the number of people living there. The system cannot prevent a person making another application even though the original has been revoked, as the duplicate could be a genuine request if they are then able to provide the evidence required. If it was found as part of the manual cross checks that we undertake that this was not the case and we could see a pattern, then we would immediately contact the resident to discuss further.</p> <p>Answer 1b - As mentioned above, the applicant will be written to and advised that their permit has been cancelled. They could make another application any time after this as the system does not allow an application to be blocked, the only alternative available to us as a last resort would be to remove the address from the system.</p>
6	<p><b>Cllrs Peter May &amp; Irene Mann</b></p> <p>The council website specifically states that if a tenant of an HMO cannot produce a council tax reference number then they can upload a tenancy agreement. The website also states that “A number of cross checks will have to be made before the decision is given” for this method of application.</p> <p>a. What exactly are the cross checks.</p> <p>b. Why does the website solely extend the invitation to upload a tenancy agreement to HMOs rather than all forms of tenanted accommodation such as flats or rented properties housing families.</p> <p><b>Response of the Cabinet Member for Environment Services</b></p> <p>Answer a - We receive a report of all new applications and write out to each applicant for the evidence as above, along with a 10% check of renewal applications. We also undertake other checks such as:</p> <ul style="list-style-type: none"> <li>· No planning conditions excluding eligibility of address</li> <li>· If HMO e.g. on Oystermouth Road, and request is for an alternate street, capacity at that street is checked to prevent overcrowding</li> </ul> <p>Answer b - All other forms of tenanted accommodation would be liable to pay Council Tax once they have moved in, therefore the council tax reference number would suffice/be expected to be provided.</p>
7	<p><b>Cllrs Lyndon Jones &amp; Myles Langstone</b></p> <p>Could we be advised as to the cost benefit of imposing parking charges for School employees when it is taken into account the implementation of specific parking areas and enforcement.</p> <p>Will the Cabinet Member confirm that all council staff who have a parking space are charged for this benefit.</p>

How is the Cabinet Member then going to support those living near schools who will no doubt have vehicles belonging to our school employees left in their neighbourhood.

**Response of the Cabinet Member for Children, Education & Lifelong Learning.**

The proposal was discussed with headteachers at a budget briefing in December. It forms part of a wider discussion on how schools can obtain greater commercial freedom. This also includes consideration of co-location of other council services in schools and ensuring school resources are accessible for use by the wider community.

The specific parking proposal was put forward on the basis of fairness and equity. Many staff and councillors already pay to park as they work in the Civic Centre or Guildhall. Teachers do not currently pay even though most schools have dedicated on-site parking.

If approved this would be introduced on voluntary basis and it would be for each school to decide if they wanted to charge.

There would be no direct benefit to the council as all monies raised would be retained within the school for the benefit of the school and the pupils.

It has been estimated that this would raise as much as £150,000 per year for schools.

**8 Cllr Steve Gallagher**

Will the Cabinet please join us in opposing the Welsh Governments proposed Tourism Tax. An idea currently being considered which would damage tourism to Swansea, Gower & the surrounding areas.

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

**About the Tax**

Welsh Govt. Finance Secretary Mark Drakeford announced on October 3<sup>rd</sup> a new budget for Wales, which reflected Welsh Govts. new tax and borrowing powers. The tax idea would explore how a small charge to those staying in Wales could help sustain services which are important to both visitors and the local community. Welsh Govt. stated that the tax raised could be used to pay for things which make places attractive such as tidy beaches, extra street cleaning and well maintained public toilets.

- The Tourism Tax is one of 4 taxes currently being reviewed by Welsh Govt and no decision has been made yet, although a decision is imminent
- If approved, It would result in a small per night charge for people staying in accommodation
- If approved, The Cabinet Secretary for Finance intends to take a proposal for a new Welsh tax to the UK government in 2018

There is very little information available other than Welsh Govt. have sought views via an online survey, which has since finished, but all Tourist Associations in South West Wales encouraged their members to complete it.

	<p>Also, for information, the attached letter (Appendix A) was sent to the Cabinet Secretary, on behalf of tourism businesses in South West Wales, by the Chairman of the South West Wales Tourism Forum opposing the introduction of the tax.</p>
<p>9</p>	<p><b>Cllrs Peter Black, Mary Jones &amp; Jeff Jones</b></p> <p>What work is underway to comply with the council's obligations under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 in April 2018 and can the Cabinet Member confirm that the deadline set out in the regulations will be met.</p> <p><b>Response of the Cabinet Members for Service Transformation &amp; Business Operations and Future Generations</b></p> <p>The Council is aware of its duty under the Welsh Specific Equality Regulations 2011, the so-called 'Equal Pay Duty', which requires public sector organisations to address not only any disparities of pay but also the structural labour market factors that can cause gender pay gaps.</p> <p>In 2016 we used the GEPA (Gender Equality in Public Administration) tool kit devised by Dr Alison Parken of Cardiff University to identify our gender pay gap, and with some analysis from Dr Parken and our workforce planning officer, we published our findings in the Equality Plan 2016/17. This year we will be using the GEPA tool once again, and we will refer to Government guidance to calculate the data as required and by the deadline. We will then publish our findings in the 2018/19 Equality Report.</p> <p>Regular updates have been provided to the former Corporate Services Cabinet Advisory Committee and more recently to the Transformation and Future Council Policy Development Committee 28th November 2017.</p>
<p>10</p>	<p><b>Cllr Linda Tyler-Lloyd</b></p> <p>Has Swansea Council applied for funding to celebrate the 100 year anniversary of women over 30 getting the vote.</p> <p><b>Response of the Cabinet Member for Future Generations</b></p> <p>Yes, the Council, through its Archive Service, has been awarded a Welsh Government grant for work to recognise the centenary, and indeed remembering that the 1918 Act only awarded the vote to women of significant financial means.</p> <p>The Council is co-ordinating its approach to the centenary through a working group undertaking a number of actions. The grant will allow the Archive Service to create a touring exhibition on this subject with two sections, one targeted at adults and young people and one for children, with an accompanying film to encompass both audiences. Swansea Museum will also be mounting a parallel exhibition later this year linking into this work, in which case a further grant application may be submitted by the Museum in order to carry out further outreach work with schools and community groups.</p>

	<p>This work will recognise that the struggle for full gender equality in voting continued after 1918 and continues today, both in Wales and internationally.</p>			
11	<p><b>Cllrs Wendy Fitzgerald, Kevin Griffiths &amp; Gareth Sullivan</b></p> <p>Does the Cabinet Member believe it appropriate that the public highway should be used for the long term storage of caravans and boats.</p> <p><b>Response of the Cabinet Member for Environment Services</b></p> <p>Caravans, Trailers and Boats stored for long periods of time on the highway are treated in the same way as any traditional abandoned vehicles. Where owners can be identified they are notified and requested to remove the item from the highway within a prescribed time scale, failure to do so may result in the authority taking further action. If the owners cannot be located then the offending item is removed by the appointed contractor.</p>			
12	<p><b>Cllrs Wendy Fitzgerald, Chris Holley &amp; Lynda James</b></p> <p>Does the Cabinet Member consider that rubber bands discarded onto pavements and roads is littering.</p> <p><b>Response of the Cabinet Member for Environment Services</b></p> <p>I can confirm that rubber bands deliberately discarded onto pavements and roads is considered to be littering.</p>			
13	<p><b>Cllrs Mike Day, Chris Holley &amp; Jeff Jones</b></p> <p>For the Council publication, The Leader, can the Leader or the relevant Cabinet member tell Council the following information:</p> <ol style="list-style-type: none"> <li>How many articles have a quote from a cabinet member or senior member of the administration for each edition in each of the years from 2013/14 to the latest edition,</li> <li>How many photos are there which include a cabinet member and/or senior member of the administration for the same period,</li> <li>For each of those editions, how many articles have there been which included quotes from and/or photographs of, councillors from outside the ruling group,</li> <li>For the same period, how much has each edition of the Leader cost to produce, print and distribute.</li> </ol> <p><b>Response of the Leader</b></p> <p><b>a &amp; b –</b>  The Council’s agreed Communications Protocol states: <i>“All articles are written by the communications team and are free of political bias. Cabinet Members will be quoted in stories relating to major announcements and policy launches. The final proofs must be cleared by the Monitoring Officer or a nominated officer.”</i></p> <p>For the period 2013/14 and 2014/15 there were none. The table below shows the figures for the subsequent three years:</p> <table border="1" data-bbox="279 2116 1002 2154"> <thead> <tr> <th>Month</th> <th>Cabinet Member</th> <th>Cabinet Member</th> </tr> </thead> </table>	Month	Cabinet Member	Cabinet Member
Month	Cabinet Member	Cabinet Member		

	Quotes	photographs
<b>2015-16</b>		
May	0	0
July	0	0
September	21	0
November	16	0
Jan	15	2
March	16	1
<b>2016-17</b>		
May	15	0
Aug	14	0
Nov	16	1
Feb	14	0
<b>2017/18</b>		
May	0	0
Aug	17	0
Nov	10	1
Feb	20	1

**c – None**

**d -** From 2013/14 to 2015/16 the cost was £12,916 per edition. For the remaining period the figure was £12,750 per edition. The costs of the Swansea Leader are off-set by generating advertising income and by reducing the amount of paid-for adverts the Council places in the media.

**Part B – No Supplementaries**

14 **Cllrs Kevin Griffiths, Wendy Fitzgerald & Gareth Sullivan**

Will the Cabinet Member provide an update on where and when the 3G pitch promised for Pontarddulais is going to materialise.

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

We are not aware of any firm promises or proposals regarding a 3G facility in Pontarddulais.

A state of the art 3G was opened at Penyreheol Leisure Centre/School in July 2017 as part of the Council's first phase of 3G delivery, providing a facility at which both rugby and football can be played. It is anticipated that this new regional facility will facilitate the demand for playing and training in the immediate area and across neighboring wards.

However, we have ambitions for more facilities and the council is actively seeking partnerships and finances to assist in this expansion. Cabinet members continue to be provided updates in respect of future 3G proposals, depending on funding and recommended sites.

Mark Drakeford  
Finance Secretary  
Welsh Government  
5th Floor,  
Tŷ Hywel,  
Cardiff Bay,  
CF99 1NA.

15<sup>th</sup> November, 2017

Dear Mr. Drakeford,

I write to you on behalf of the South West Wales Tourism Forum, a forum who represents a huge cross section of over 1,000 tourism related businesses in the area. The role of the forum is to collaborate on the industry and offer Visit Wales an opportunity to speak to both public and private sector business and gauge opinion and advice. The forum often raises issues which need more focus and we actively look for ways that we can improve, support or resolve these concerns.

Following your recent announcement of a possible 'tax on tourism' being introduced in 2018 I must raise some unanimous concerns. Globally, the UK imposes one of the highest rates of taxes on its tourism industry in the World. VAT on tourism is one of the highest in the World and is not on a level playing field with many European countries i.e. Germany at 7% and Spain/France 10%. Tourism is more important in the Welsh economy than in any other part of the UK, accounting for 4.9% of economic output compared to 3.7% in the rest of the UK and should it be burdened with further taxes then this can only have a negative impact on growth.

Over the last few years we have seen a positive growth in visitors to Wales and tourism GDP contributions have also seen strong growth. Our members concerns are due to a rising cost base, profits are declining making it impossible for SME to survive in many cases.

Unfortunately, due to business rates, utility costs and the national living wage all increasing, coupled with supplier costs rising, the profit for operators has continued to decline. If you add in the extra pressure of employer pension contributions, increasing regulation, PRS licenses etc. then I hope you can see that business owners are under a very real strain. Adding further cost into an already growing problem would only have a negative impact on the growth of industry and could only stimulate a decline in tourism product in Wales.

For this vital sector to thrive you need to be considering how Welsh Government can subsidise the tax on businesses and support them to modernise and grow, not be making announcements with little detail attached causing further doubt and anxiety in the minds of business owners.

To summarise, a further tax on tourism would not be well received and can only trigger further decline in an already struggling sector which sees no support in tax terms at present. I very much hope that the views of our forum members will be seriously considered should this proposed tax see further traction.

Yours Sincerely



Nic Beggs  
Chairman  
South West Wales Tourism Forum