

Council

You are hereby summoned to attend a Meeting of the **Council of the City and County of Swansea** to be held in the Council Chamber - Guildhall, Swansea on Thursday, 24 October 2019 at 5.00 pm.

The following business is proposed to be transacted:

1. **Apologies for Absence.**
2. **Disclosures of Personal and Prejudicial Interests.**
www.swansea.gov.uk/disclosuresofinterests
3. **Minutes.** **1 - 10**
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.** **11 - 16**
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. **Presentation - None.**
9. **Audit Committee Annual Report 2018/19.** **17 - 39**
10. **Scrutiny Annual Report 2018/19.** **40 - 82**
11. **Review of Revenue Reserves.** **83 - 108**
12. **Council Tax Premiums in Wales.** **109 - 143**
13. **Councillors' Questions.** **144 - 150**
14. **Notice of Motion on Carbon Based Investments.** **151**

Webcasting: This meeting may be filmed for live or subsequent broadcast via the Council's Internet Site. By entering the Council Chamber you are consenting to be filmed and the possible use of those images and sound recordings for webcasting and / or training purposes.

You are welcome to speak Welsh in the meeting.

Please inform us by noon, two working days before the meeting.



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

Tuesday, 15 October 2019

To: All Members of the Council

Agenda Item 3.



City and County of Swansea

Minutes of the Council

Council Chamber - Guildhall, Swansea

Thursday, 26 September 2019 at 5.00 pm

Present: Councillor D W W Thomas (Chair) Presided

Councillor(s)

P M Black
J E Burtonshaw
A M Day
P Downing
C R Doyle
M Durke
C R Evans
V M Evans
W Evans
E W Fitzgerald
S J Gallagher
L S Gibbard
F M Gordon
K M Griffiths
T J Hennegan
C A Holley
P R Hood-Williams
B Hopkins
D H Hopkins
L James

Councillor(s)

O G James
Y V Jardine
J W Jones
L R Jones
M H Jones
P K Jones
S M Jones
E J King
E T Kirchner
M A Langstone
A S Lewis
M B Lewis
R D Lewis
W G Lewis
C E Lloyd
P Lloyd
P M Matthews
P N May
H M Morris
D Phillips

Councillor(s)

C L Philpott
S Pritchard
A Pugh
J A Raynor
C Richards
B J Rowlands
M Sherwood
P B Smith
R V Smith
A H Stevens
R C Stewart
D G Sullivan
M Sykes
M Thomas
L G Thomas
W G Thomas
L J Tyler-Lloyd
L V Walton
T M White

Officer(s)

Huw Evans
Adam Hill
Tracey Meredith
Phil Roberts
Ben Smith
Martin Nicholls

Head of Democratic Services
Deputy Chief Executive / Director of Resources
Chief Legal Officer / Monitoring Officer
Chief Executive
Chief Finance Officer / Section 151 Officer
Director of Place

Apologies for Absence

Councillor(s): C Anderson, M C Child, S E Crouch, J P Curtice, N J Davies, R Francis-Davies, J A Hale, D W Helliwell, I E Mann, K M Roberts, G J Tanner and G D Walker

65. Disclosures of Personal and Prejudicial Interests.

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

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

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

- 1) Councillor T J Hennegan declared a Personal Interest in Minute 72 "Updated Welsh Housing Quality Standard Compliance Policy";
- 2) Councillors P M Black, J E Burtonshaw, A M Day, C R Doyle, M Durke, C R Evans, V M Evans, W Evans, E W Fitzgerald, S J Gallagher, L S Gibbard, F M Gordon, K M Griffiths, T J Hennegan, C A Holley, P R Hood-Williams, B Hopkins, D H Hopkins, O G James, L James, J W Jones, L R Jones, M H Jones, P K Jones, S M Jones, E J King, M A Langstone, A S Lewis, M B Lewis, R D Lewis, W G Lewis, C E Lloyd, P Lloyd, P M Matthews, P N May, D Phillips, C L Philpott, S Pritchard, A Pugh, J A Raynor, C Richards, B J Rowlands, M Sherwood, P B Smith, R V Smith, A H Stevens, R C Stewart, D G Sullivan, M Sykes, D W W Thomas, L G Thomas, M Thomas, W G Thomas, L J Tyler-Lloyd, L V Walton & T M White declared a Personal Interest in Minute 74 "Local Democracy & Boundary Commission for Wales' Review of Electoral Arrangements for the City and County of Swansea".

Officers

- 1) The Head of Democratic Services, H G Evans declared a Personal & Prejudicial Interest in Minute 75 "Appointment of 'Standing' Deputy Returning Officer and Deputy Electoral Registration Officer" and withdrew from the meeting prior to its discussion.

66. Minutes.

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

- 1) Ordinary Meeting of Council held on 29 August 2019 subject to the following amendment in relation to Minute 59 "Notice of Motion – Prorogation of Parliament":

The note at the top of Page 7 has a typographical error. Delete the word "withdrawn" and replace with "withdrew".

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

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

68. Announcements of the Presiding Member.

1) Condolences

a) Honorary Alderman Byron G Owen – Condolences

The Presiding Member referred with sadness to the recent death of Honorary Alderman Byron G Owen. Byron was a former Councillor, Cabinet Member and former Lord Mayor. He served the Mynyddbach and Penderry communities for nearly 36 years and was Lord Mayor of the City of Swansea for the 1991-1992 Municipal Year. His periods of service being:

- Swansea City Council 10 May 1973 to 5 May 1976;
- Swansea City Council 3 May 1979 to 31 March 1996;
- City & County of Swansea 4 May 1995 to 10 June 2004;
- City & County of Swansea 1 May 2008 to 18 March 2016.

b) Former Councillor John B Hague – Condolences

The Presiding Member referred with sadness to the recent death of Former Councillor John B Hague. John was a former Councillor, Cabinet Member and Deputy Leader of the Council, serving the Bôn-y-maen community for nearly 16 years. His period of service being:

- City & County of Swansea 6 June 1996 to 3 May 2012.

c) Former Lady Mayoress Elaine Francis-Davies – Condolences

The Presiding Member referred with sadness to the recent death of Former Lady Mayoress Elaine Francis-Davies. Elaine was Lady Mayoress in 2001-2002 and was the ex-wife of Councillor Robert Francis-Davies.

d) Josh Gardener

The Presiding Member referred with sadness to the recent death of Josh Gardener, a firefighter with the Mid & West Wales Fire and Rescue Service who died during a training exercise when two boats collided in the Cleddau Estuary, Pembrokeshire, on 17 September 2019.

All present stood as a mark of sympathy and respect.

2) Filming, Recording and Photography at Council Meetings

Under the Authority's "Filming, Recording and Photography at Council Meetings" Policy (adopted on 24 November 2011), the Presiding Member stated that he had allowed a film crew from Amazon News Media to film the Council Meeting.

3) Local Authority Pension Fund (LAPF) Investment Awards 2019

The Presiding Member stated that City and County of Swansea Pension Fund had won the Best Approach to Sustainable Investing Award at the recent LAPF Investment Awards 2019.

The LAPF Investments Awards were established in 2015 in order to celebrate outstanding achievement in the Local Government Pension Schemes (LGPS). Over the years, an award from LAPF Investments Awards has come to be recognised as mark of excellence in the field of pension provision in the LGPS.

He congratulated Councillor C E Lloyd, Jeff Dong, Karen Cobb, the Pension Team and the Authority's Advisors, Hymans Robertson, particularly William Marshall for their work.

4) NHS Wales Awards 2019

The Presiding Member stated that Swansea Bay's Primary Care Children and Families' Wellbeing Team won the Improving Health and Wellbeing category of the NHS Wales Awards 2019. The partnership with Swansea Bay University Health Board and Swansea Council was recognised for their work to reduce the impact of adverse childhood experiences in the Penderi ward, which takes in some of the most deprived areas of the city.

The NHS Wales Awards are a national showcase for excellence and celebrate good practice in delivering improved, high quality patient care across Wales. The Awards were launched in 2008 to celebrate the 60th anniversary of the NHS. The NHS Wales Awards are open to Teams and Organisations, with the aim of uncovering, acknowledging and celebrating good practice that has helped to transform patient care.

He congratulated all involved.

5) The Great British High Street Awards 2019

Swansea High Street takes visitors right into the heart of the City. Swansea High Street is taking major steps forward to regenerate and future proof the High Street for years to come. Following a £25 million investment Swansea's Urban Village will expand the High Street with new shops, businesses and homes. As part of the Urban Village, Swansea Tech provides space for 20 digital start-ups and employs over 300 people. Plans are also in place to build two new student blocks to house more than 1,300 students. The weekly car

boot sale along with the theatre, and gallery attract a wide range of people to the High Street. Great customer service is a hallmark of the high street with four businesses achieving Swansea BID's Extra Mile award.

The Presiding Member stated that he was delighted to announce that following a visit of the judges last week, Swansea High Street is now in the final of the Great British High Street Awards 2019. Follow the link if you wish to vote for Swansea High Street <https://thegreatbritishhighstreet.co.uk/high-street-of-the-year-awards/champion-finalist-swansea>

6) Ironman Cymru 2019 – Huw Evans, Head of Democratic Services

The Presiding Member congratulated Huw Evans, Head of Democratic Services for completing Ironman Cymru in Tenby, Pembrokeshire on 15 September 2019. Huw swam 2.4 miles, cycled 112 miles and then ran a full marathon of 26.2 miles all within 14 hours, 22 minutes and 5 seconds.

The Leader of the Council and Councillors applauded Huw's achievement.

7) Corrections / Amendments to the Council Summons

Item 11 "Local Democracy & Boundary Commission for Wales' Review of Electoral Arrangements for the City and County of Swansea"

The Presiding Member referred to Page 73, Table 2 stating that the line relating to "Dunvant and South Killay" contained a typographical error. Column two related to the Local Democracy and Boundary Commission for Wales' "Welsh Proposed" name for Dunvant and South Killay. The printed entry states "Dyfnant a De Cilâ" which is what the report suggests however it should read "**Dyfnant a De Cilâ**" as that is what the Local Democracy & Boundary Commission for Wales (LDBCW) suggested.

69. Announcements of the Leader of the Council.

1) Acquisition of the Palace Theatre, High Street, Swansea

The Leader of the Council referred to the recent Cabinet resolution to acquire the Palace Theatre, Swansea. He stated that it was a Grade II listed building, recognisable for its distinctive wedge shape. It is Wales' oldest surviving theatre. The Palace Theatre would be subject to a full refurbishment and be used as a place of work.

He thanked Paul Relf and Councillor Robert Francis-Davies for their hard work in the acquisition.

2) Amendments to Cabinet Portfolios

The Leader of the Council stated that he had made amendments to the Cabinet Portfolios which would take effect from 1 October 2019. A sheet

outlining the changes was circulated and the new Portfolios would be placed within the Council Constitution.

The changes see Councillor C E Lloyd stepping down as Deputy Leader of the Council for personal reasons. This is a temporary arrangement until further notice. Councillors D H Hopkins and A S Lewis take on the Deputy Leader of the Council role on a Joint Interim basis.

Councillors D H Hopkins, C E Lloyd and A S Lewis also had their Cabinet Portfolio titles changed and some Cabinet Portfolio Responsibilities were shifted between these 3 Councillors with some additional ones added.

The table sets out the Cabinet Portfolios and relevant Councillors as of 1 October 2019:

Councillor	Cabinet Portfolio
Rob C Stewart	➤ Leader of the Council ➤ Economy & Strategy
Andrew H Stevens Alyson Pugh	➤ Better Communities (Place - Lead) ➤ Better Communities (People - Lead)
Mark C Child	➤ Care, Health & Ageing Well
Sam Pritchard Elliott J King	➤ Children Services (Young People - Lead) ➤ Children Services (Early Years - Lead)
David H Hopkins	➤ Joint Interim Deputy Leader ➤ Delivery & Performance
Jennifer A Raynor	➤ Education Improvement, Learning & Skills
Mark Thomas	➤ Environment & Infrastructure Management
Andrea S Lewis	➤ Joint Interim Deputy Leader ➤ Homes, Energy & Service Transformation
Robert Francis- Davies	➤ Investment, Regeneration & Tourism
Clive E Lloyd	➤ Resilience & Strategic Collaboration

70. Public Questions.

A number of questions were asked by members of the public. The relevant Cabinet Member(s) responded.

Those questions requiring written responses are listed below:

- a) Sue Lyle asked the following question relating to Minute 72 “Updated Welsh Housing Quality Standard Compliance Policy”:

“Considering housing consumes 30% of all fossil-fuel energy and that every fact we have about the climate point to the urgency of action, when will all houses in the public sector be retrofitted to reduce carbon emissions which will also help combat fuel poverty and boost the green economy?”

The Homes & Energy Cabinet Member stated that a written response would be provided.

- b) Peter Anderson asked the following question relating to Minute 78 "Amendments to the Constitution":

"In light of Climate Change now being included under the remit of the Equalities & Future Generations Policy Development Committee, can someone explain - what are the Council's top priorities for tackling climate change to meet the needs of future generations and what plans are being made to implement them?"

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

71. Presentation - None.

A Presentation was not received.

72. Updated Welsh Housing Quality Standard Compliance Policy.

The Homes & Energy Cabinet Member submitted a report which sought to update the existing Welsh Housing Quality Compliance Policy, which was initially approved by Council in 2016.

Resolved that the report be endorsed.

73. Progress Towards Meeting the Welsh Housing Quality Standard.

The Homes & Energy Cabinet Member submitted an information only report which provided a progress update on achieving the Welsh Housing Quality Standard on Council owned properties up to 31 March 2019.

Note: Councillor P M Black referred to Paragraph 5.8 of the report and asked for a breakdown of the reasons for the 4,734 Properties within an Acceptable Fail in relation to Energy Rating.

The Homes & Energy Cabinet Member stated that a written response would be provided.

74. Local Democracy & Boundary Commission for Wales' Review of Electoral Arrangements for the City and County of Swansea.

The Returning Officer and Head of Democratic Services submitted a joint report, which provided a response to the Local Democracy and Boundary Commission for Wales' Draft Proposals in relation to their Review of the Electoral Arrangements for the City and County of Swansea.

The Head of Democratic Services stated that the report had been considered by the Constitution Working Group on 4 September 2019. That Group recommended that Council approve the report for submission as part of the consultation period.

The Group also instructed the Head of Democratic Services to ensure that all Electoral Wards and Community Wards have a Welsh Language or Bilingual name. The proposed names and requests for proposed names were outlined in Appendices B and C of the report.

Resolved that:

- 1) The response to the Draft Proposals as detailed in Paragraph 5 of the report be approved and forwarded to the Local Democracy and Boundary Commission for Wales;
- 2) The Welsh Language Electoral Ward names as suggested by this Authority and set out in **Appendix B** of the report be recommended to the Welsh Language Commissioner to be placed on the "Standardisation of Welsh Place Names list";
- 3) The Welsh Language Commissioner be asked to reconsider the use of "Dyfnant" as the Welsh form of "Dunvant" so that "Dyfnant" becomes the formal standardised name;
- 4) The Welsh Language Community Ward names as suggested by this Authority and set out in **Appendix C** of the report be recommended to the Welsh Language Commissioner to be placed on the "Standardisation of Welsh Place Names list";
- 5) The Welsh Language Commissioner be asked to consider suitable Welsh Language or Bilingual Community Ward names for those Community Wards as outlined in **Appendix C** of the report.

Note: Councillor J W Jones asked that it be noted that whilst he supported the majority of the report he did not support, the recommendations in relation to Dunvant and Killay South.

75. Appointment of 'Standing' Deputy Returning Officer and Deputy Electoral Registration Officer.

The Returning Officer submitted a report which sought to appoint the Head of Democratic Services, Huw Evans as the 'Standing' Deputy Returning Officer (DRO) in line with good practice and to also appoint him as the Deputy Electoral Registration Officer (DERO).

Resolved that:

- 1) The Head of Democratic Services, Huw Evans be appointed as the 'Standing' Deputy Returning Officer to exercise all Returning Officer functions currently exercisable by the Chief Executive;

- 2) The Head of Democratic Services, Huw Evans be appointed as the Deputy Electoral Registration Officer to exercise all Electoral Registration functions currently exercisable by the Chief Executive;
- 3) Any consequential changes to the Council Constitution be carried out.

76. Swansea Bay City Region – Amendments to Joint Committee Agreement.

The Leader of the Council submitted a report to approve the amendments to the Swansea Bay City Region Joint Committee Agreement.

Resolved that:

- 1) The amendments to the Swansea Bay City Region Joint Committee Agreement as attached at Appendix B of the report be endorsed;
- 2) The Chief Legal Officer / Monitoring Officer be endorsed to enter into a deed of variation to effect the changes to the Joint Committee Agreement and to grant delegated authority to the Chief Executive in consultation with the Leader of the Council to make any minor amendments to the Agreement as are required between the Partner Authorities.

77. Treasury Management Annual Report 2018/19.

The Section 151 Officer submitted an information report which detailed the Council's Treasury Management activities during 2018-2019 and compared actual performance against the strategy laid down at the start of the year.

78. Amendments to the Constitution.

The Presiding Member, Monitoring Officer and Head of Democratic Services jointly submitted a report seeking to amend in order to simplify, improve and / or add to the Council Constitution in relation to the following areas:

- a) Part 3 "Responsibility for Functions" - "Policy Development Committees (PDCs) - Terms of Reference".

Resolved that:

- 1) The sixth Term of Reference be amended to read as follows:

"vi) To develop Council Corporate Priorities in relation to Equalities & Future Generations, including Climate Change."

79. Membership of Committees.

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

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

- 1) **Swansea Bay Community Health Council**
Remove Councillors H M Morris & M Sykes.
Add Councillors V M Evans & P B Smith.

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

- 1) **Equalities & Future Generations Policy Development Committee**
Remove Conservative Vacancy.
Add Councillor D W Helliwell.
- 2) **Planning Committee**
Remove Councillor S M Jones.
Add Councillor M H Jones.
- 3) **Poverty Reduction Policy Development Committee**
Remove Councillors D W Helliwell & L R Jones.
Add Conservative Vacancies.

80. Councillors' Questions.

- 1) **Part A "Supplementary Questions"**

Eleven (11) Part A 'Supplementary Questions' were submitted. The relevant Cabinet Member(s) responded by way of written answers contained in the Council Summons.

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

Question 3

Councillor E W Fitzgerald asked the relevant Cabinet Member:

"Are you aware of the concerns relating to the International Commission on Non-Ionizing Radiation Protection (ICNIRP) and the concerns relating to the fact that it is they that provide the guidance?"

The Environment & Infrastructure Management Cabinet Member stated that a written response would be provided.

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

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

The meeting ended at 6.49 pm

Chair

Agenda Item 4.



Report of the Chief Legal Officer

Council – 22 October 2019

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 26 September 2019.

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 asked at Council
26 September 2019**

1.	<p>Sue Lyle</p> <p>Public Questions - In relation to Minute 72 “Updated Welsh Housing Quality Standard Compliance Policy”</p> <p>“Considering housing consumes 30% of all fossil-fuel energy and that every fact we have about the climate point to the urgency of action, when will all houses in the public sector be retrofitted to reduce carbon emissions which will also help combat fuel poverty and boost the green economy”</p> <p>Response of the Cabinet Member for Homes, Energy & Service Transformation</p> <p>As part of the Council’s WHQS £.5bn programme, we are carrying out measures to improve the thermal insulation of our Council homes. This has been an integral part of our Housing Strategy to reduce heat loss, reduce fuel poverty and reduce carbon emissions.</p> <p>The following thermal improvements to the fabric of our Council homes has been undertaken to date:</p> <ul style="list-style-type: none"> • 7,642nr. homes fitted with external wall insulation to reduce heat loss through walls • 13,520nr. Homes fitted with double glazed and draught sealed windows and doors • Over 12,000nr homes have been equipped with high efficiency combi type gas boilers and a further 500 sheltered properties benefitting from the installation of communal heating systems. As mentioned in the meeting, we have been invited by Welsh Government to trial hybrid heating systems which combine air source heat pumps with conventional heating. • Homes with accessible attic space have been fitted with loft insulation. • The Council is working towards meeting the target set by Welsh Government in social housing which is to reach a SAP level of 65 in all Council homes by 2020. The current average in Swansea is a SAP rating of 66 which has been reached through the WHQS programme. <p>Significant retrofitting schemes are planned from 2021 to 2030, in line with Welsh Government targets, to upgrade the existing fabric of Council homes and to use renewable technologies, wherever possible, to reduce carbon emissions in Council homes and buildings.</p> <p>The Council is working with the Welsh Government and Welsh School of Architecture on pilot schemes to test retrofit solutions to achieve very high performing energy efficient homes. We are nearing completion on trialling a Homes as Power Station project which aims to provide a retrofit solution for generating and storing the vast majority of energy needs for heating and hot water.</p> <p>We are currently reviewing how significant energy efficiency gains to</p>
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	<p>the existing housing stock can be made on a larger scale to meet the emerging policy ambitions for decarbonisation that the Council shares with Welsh Government.</p> <p>In addition to upgrading our Council homes, we are also seeking wherever possible to utilise ReFit funding to introduce renewable technologies on our Council buildings, to maximise energy efficiency and reduce our carbon emissions. The Council has also supported the establishment of the Swansea Community Energy and Enterprise Scheme (SCEES) which saw solar panel installations on 9 schools and one care home.</p> <p>Swansea Council, in light of our declaration of a Climate Emergency, will continue to maximise every opportunity available to us in order to access grants and funding to continue to build on our current programme and progress to date.</p>
2.	<p>Peter Anderson</p> <p>Public Questions - In relation to Minute 78 “Amendments to the Constitution”</p> <p>“In light of Climate Change now being included under the remit of the Equalities & Future Generations Policy Development Committee, can someone explain - what are the Council's top priorities for tackling climate change to meet the needs of future generations and what plans are being made to implement them”</p> <p>Response of the Leader</p> <p>Council on the 27th June declared a climate emergency the details of which will be contained in the published minutes.</p> <p>Officers and members have begun working on the response to the Motion to build on the excellent work the council already undertakes to contribute to this crucial agenda. The proposal to amend one of the Policy Development Committees to specifically include the response to the Climate Change Emergency NoM will allow appropriate attention to be given and its next meeting on the 22nd October has placed this on the its agenda to develop its action plan including the drafting of a climate change charter.</p> <p>Can I also reiterate the proactive actions that the council currently takes as it is envisaged the PDC will build on these areas as part of its work plan</p> <ul style="list-style-type: none"> • The City & County of Swansea Pension Fund is one of the first Pension Fund’s in the UK to adopt an Environmental, Social & Governance policy which commits the pension fund to reduce its already low exposure to carbon based fossil fuel investments by up to 50% over the next 4 years. In doing so, it accepts that investing in new green energy, infrastructure and socially responsible investments offers the best sustainable financial return for members

of the pension fund over the long term. Progress is reported on an annual basis.

- Changing 21,053 street lights to LED, reducing CO2 year on year by 2,198,608.49kg.
- Delivering an annual Clean Air Roadshow to stimulate public uptake in electric vehicles and promote improving air quality.
- Delivering insulation and energy efficiency measures to benefit tenants of our council housing.
- Promoting Welsh & UK Government campaigns and programmes to increase energy efficiency amongst private tenants and home owners, reducing fuel poverty and reducing emissions.
- Campaigning for the electrification of the railway line from Swansea to London.
- Progressing work towards a world-leading Tidal Lagoon, supporting community-owned renewable energy schemes, like SCEES, to deliver clean energy and benefit local schools and community buildings.
- Working with others nationally to urge Welsh Government to develop electric car charging infrastructure.
- Being leaders of good practice in Wales through having Sustainable Development policies and approaches pre-dating the Well-Being of Future Generations Act.
- Recently incorporating care for the natural environment into our corporate plan as a new priority, recognizing the hugely important contribution made by the extensive work of our Nature Conservation Team.
- Building the first council housing in a generation here in Swansea to Passivhaus standard, and begun building new council housing to a super-energy-efficient “Swansea Standard” that will enable all components to be procured locally and reducing emissions using solar battery storage and air source heat pumps.
- Using innovation in construction for flagship projects such as Pentrehafod School, showcasing waste minimization and sustainability.
- Winning investment for innovative green technology, such as “Homes as Power Stations”, as part of the City Region Deal.
- Continuing to seek opportunities to add to our corporate fleet of Electric Vehicles, which is already the largest in Wales.
- Continuing to deliver on our Carbon Reduction strategy: 42% reduction in emissions since our baseline year.
- Securing funding for a vast increase in Active Travel (walking and cycling) routes throughout the county and supported Swansea University’s community cycle scheme.
- Becoming an Anti-Fracking Local Authority in 2016, having passed a motion to “oppose any unconventional gas development (fracking)” which also committed us to working towards being a fossil fuel free local authority by 2025.

- Implementing agile working so that our workforce may reduce unnecessary travel.
- Developing local procurement practices to reduce our carbon footprint.
- In Education, we are early joiners of the international EcoSchools programmes which encourages schools to promote recycling and reduce energy and water consumption.
- Encourage our Foundation Phase learning pupils to learn outdoors ensuring a respect for nature, biodiversity and eco-systems.
- At KS4, developing partnerships with our Universities to establish STEM workshops including the impact of climate change.

I trust this response reassures you as to the Council's progress on this important agenda.

3.

Councillor P M Black

In relation to Minute 73 "Progress Towards Meeting the Welsh Housing Quality Standard.

Referred to Paragraph 5.8 of the report and asked for a breakdown of the reasons for the 4,734 Properties within an Acceptable Fail in relation to Energy Rating.

Response of the Cabinet Member for Homes, Energy & Service Transformation

The WHQS energy rating requires homes to have 'SAP' score of 65 or more (SAP being a measure of the overall energy efficiency of a home) in order to be WHQS compliant. Due to many measures undertaken to date including, double glazing, door renewal, boiler renewal external wall and loft insulation, the majority of homes are compliant. For the 4,734 properties with a score lower than 65, the breakdown of reasons and the plans in place to address them include:

- Approximately 1,000 properties are either planned or currently in the process of receiving thermal improvements, such as external wall insulation and which will be complete by WHQS deadline of the end of 2020.
- There are properties which have very recently received thermal improvements but the revised energy assessments were not complete at the time of reporting WHQS compliance, however, these will be captured in the next round of reporting.
- The Housing Service is undertaking an exercise which will ensure historical energy ratings reflect improvements completed after the rating was undertaken. It is expected this should improve approximately 2,000 energy ratings.
- There are a small number of properties in areas where there is no mains gas supply and therefore rely on coal, oil, or liquid petroleum gas (LPG) which results in the SAP score being low. The Council is

	<p>exploring how renewable technologies can improve the overall energy rating in these homes and is in the process of developing and delivering schemes in Felindre, Craig Cefn Parc and Garnswllt.</p> <ul style="list-style-type: none"> • Finally there are some homes where the tenant has declined to receive energy improvement measures such as new gas boilers and wall insulation. Welsh Government's guidelines for reporting WHQS compliance recognise tenants have the right to decline such works and allows local authorities to report these as acceptable fails, 'tenants' choice'. In these cases, the Council continues to make these improvements available in the event tenants' circumstances change and they would like to take up the option of receiving these improvements.
4.	<p>Councillor E W Fitzgerald</p> <p>In relation to Minute 80 – “Councillor Questions” – Question 3</p> <p>“Are you aware of the concerns relating to the International Commission on Non-Ionizing Radiation Protection (ICNIRP) and the concerns relating to the fact that it is they that provide the guidance”</p> <p>Response of the Cabinet Member for Environment & Infrastructure Management</p> <p>Experts in PHE Centre for Radiation, Chemical and Environmental Hazards (CRCE) are aware of various comments from individuals and groups about the advice from official bodies on the health effects of electromagnetic fields (EMFs). This includes the comments in the November 2018 presentation by Dr Sarah Starkey. They have confirmed that these comments do not change PHE's current position that while there may be a small increase in radio waves when 5G is added to an existing network or in a new area, the overall exposure is expected to remain low relative to guidelines and as such there should be no consequences for public health.</p> <p>A summary of PHE advice on radio waves can be accessed in the following link: https://www.gov.uk/government/collections/electromagnetic-fields#radio-waves</p> <p>In formulating its advice, PHE considers the whole range of the available evidence and views on electromagnetic fields and gives greater weight to documents produced by the officially mandated and authoritative bodies that use rigorous review processes and base their advice on the entire range of scientific information available.</p>

Agenda Item 9.



Report of the Chair of the Audit Committee

Council – 24 October 2019

Audit Committee Annual Report 2018/19

Purpose:	This report provides the final Audit Committee Annual Report 2018/19 municipal year.
Report Author:	Simon Cockings
Finance Officer:	Simon Cockings
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

For Information

1. Introduction

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

2. Audit Committee Annual Report 2018/19

- 2.1 The Audit Committee Annual Report 2018/19 is attached in Appendix 1

3. Equality and Engagement Implications

- 3.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Legal Implications

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

Background Papers: None

Appendices: Appendix 1 - Audit Committee Annual Report 2018/19



Audit Committee Annual Report 2018/19

City & County of Swansea

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

- 1.1 This report provides an overview of the Audit Committee's work in the municipal year 2018/29. On 12th June 2018 the Audit Committee considered the election of Chair for 2018-19 Municipal Year where it was resolved that Paula O'Connor be elected Chair. At the same meeting Councillor P R Hood-Williams was elected Vice-Chair for the 2018-19 Municipal Year.
- 1.2 I am pleased to present this report prepared by the Chief Auditor that reflects on the work of the Audit Committee. It also contains progress made by the Audit Committee in addressing the Wales Audit Office recommendations following their review of the Committee's performance against best practice CIPFA framework in June 2018. The Wales Audit Office will repeat their performance assessment on w/c 16th September 2019 and the outcome will be reported to the Council in October 2019.
- 1.3 In the 2017/18 Annual Report the Audit Committee gave commitment to progressing the necessary action to address the Wales Audit Office recommendations. The Committee at every meeting reviewed progress against those recommendations with the aim of developing and strengthening the Committee's effectiveness in fulfilling the Committee's terms of reference. Most notably the Committee received:-
- Presentation by the Deputy Chief Executive that outlined the Council's Assurance Framework;
 - Council's Risk Register was received for the first time on 14th August 2018 and the Directorate Risk Registers for the first time on 11th December 2018.
- 1.4 The presentation on the Assurance Framework and the reporting on the Council's Risks is a significant step forward in improving the Committee's ability to reflect on the effectiveness of governance, risk management and control that supports and informs the Council's Annual Governance Statement.
- 1.5 We have reviewed our work programme at each Committee meeting, taking account of risk and priorities.
- 1.6 The Chair, Vice-Chair and Chief Internal Auditor attended Cardiff City Council Audit Committee on 13th November 2018 to where appropriate observe and learn from the approach taken at these meetings. The most noticeable difference was the presence at this Audit Committee of a lay member Chair plus an additional four lay members.
- 1.7 The Audit Committees progress in addressing the Wales Audit Office recommendations is appended to this report at Appendix 2.
- 1.8 The Committee noted that the Risk Management processes across the Council remains under development and Officers are progressing to pilot a

new electronic risk management process/system. However, the associated roll out of the new system and the delivery of training needs remains a challenge and realistically it is unlikely that the new system will become fully implemented and operational for some time. The Audit Committee has requested that this work be concluded as soon as possible as the current status means that the Audit Committee is unable to fully review the effective development and operation of risk management in the Council¹. The Council should note the position.

- 1.9 The Audit Committee terms of reference states that the Committee “oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.”
- 1.10 The Committee has received reports regularly from the Chief Internal Auditor that included confirmation of the outcome of the External Quality Assessment of performance against the Public Sector Internal Audit Standards. The External Quality Assessor suggested the production of an assurance map as an improvement to the audit planning process. It is pleasing to report that the Chief Internal Auditor has progressed with this recommendation and reported in February 2019 with the draft assurance map, the audit methodology and the development of the Audit Assurance Plan. The Chief Internal Auditor has also been responsive to the Chair’s request in enhancing the information presented to the Audit Committee so that the Audit Committee are aware of the breadth and depth of assurances given.
- 1.11 The Wales Audit Office has provided the Committee with regular updates to their work also and a six month update received at the meeting in June 2018 highlighted slow progress in completing the Wales Audit Office recommendations. The Chair suggested that consideration be given to developing a tracker to give focus to improved completion of external audit recommendations.
- 1.12 The Chair has met during the period with the Chief Executive, Deputy Chief Executive, S151 Officer, Monitoring Officer, Chief Internal Auditor and the Wales Audit Office.
- 1.13 At the meeting on 9th April 2019 the Committee received the Corporate Fraud Teams Anti-Fraud Plan for 2019/20 that was similar to the plan in 2018/19. The Corporate Fraud Team informed the Committee that the work of the Team was largely reactive due to the limited resource. The Committee endorsed the plan subject to ongoing review of the resource position by the Council’s Corporate Management Team and referral to Council for approval.
- 1.14 The Head of Legal, Democratic Services & Business Intelligence (Monitoring Officer) presented the draft Annual Governance Statement 2017/18 at the meeting in July 2018. A final draft was received at a special

¹ Audit Committee – Terms of Reference Paragraph 6

meeting of the Audit Committee on 23rd August 2018 and the Audit Committee agreed that the Statement be endorsed and referred to Council for Approval.

- 1.15 The Chair attended the Scrutiny Panel Conference 10th June 2019 and also Scrutiny Panel on 8th July 2019.
- 1.16 On 11th December 2018 the Leader attended the Audit Committee as the Auditor General for Wales had issued a letter highlighting the difficulties the Council had in delivering its planned levels of efficiency savings and the predicted shortfall in excess of £20 million in the 2019-20 financial budget. The Auditor General stressed that the Council must continue to risk assess its efficiency savings plans, to review and update its medium term financial strategy and to carefully monitor its reserves.
- 1.17 The Committee discussed the concern regarding the cost of the capital programme, the level of reserves, the risk to the Authority and the need to scrutinise the risk. Also, it was noted that a recovery plan should be developed on how the Council plans to deal with overspends and that the Audit Committee should be provided with regular budget variation reports. The Chief Finance Officer / Section 151 Officer agreed to provide this information to future meetings.
- 1.18 Looking forward to 2019/20, the financial challenges facing the Council will continue as will the need to increase performance. Within this context, the importance of an effective Audit Committee remains critical and the Committee is committed to enhancing its effectiveness through an ongoing training programme, delivering against the Wales Audit Office efficiency improvements and liaising with Officers to enhance the information that the Committee receives. The Committee will keep the Work Programme under regular review and will ensure that the Work Programme contains the critical challenges that the Council faces.
- 1.19 An all Wales Chair of Audit Committee Network event will take place on 11th October 2019. The focus of the day will cover the basics in delivering effectiveness across Governance, Risk and Assurance, and also Leading the Audit Committee to Influence and Add Value.

2. Role of Audit Committee

- 2.1 The Council is required, under the Local Government (Wales) Measure 2011 to have an Audit Committee which among other things must include at least one lay member.
- 2.2 The Measure requires the Audit Committee to:
 - Review and scrutinise the Council's financial affairs.

- Make reports and recommendations in relation to the Authority's financial affairs.
 - Review and assess the risk management, internal control and corporate governance arrangements of the Authority.
 - Make reports and recommendations to the Authority on the adequacy and effectiveness of those arrangements.
 - Oversee the Council's internal and external audit arrangements and review the financial statements prepared by the Authority.
- 2.3 The Measure also requires Councils to have Lay Member in their Audit Committee. Currently, the Chair of Audit is the only Lay Member at the Audit Committee.
- 2.4 The work of the Audit Committee is structured so that the Committee can gain assurance over the areas identified above and to comply with its terms of reference as show in Appendix 1.
- 2.5 This draft report describes the assurance that has been gained by the Audit Committee from various sources during 2018/19 and also outlines a number of other areas where briefings have been provided to the Committee.
- 2.6 The draft Audit Committee Annual Report 2018/19 is reported to the Committee to provide members with the opportunity to give their views on the assurances received and to identify the key messages arising from the work of the Committee during the year which should be reported to Council.
- 2.7 The draft report will be amended for any comments made at this meeting with the final report being presented to the Audit Committee for formal approval. The Chair will then present the Annual Report to Council later in the year.

3 Work of the Audit Committee in 2018/19

- 3.1 The Audit Committee has received regular reports in relation to standard agenda themes and receives reports of interest based on risk, governance and internal control measures. Each aspect is reported on below.

Standard Items

Internal Audit Assurance

- 3.2 The Audit Committee approved the Internal Audit Charter 2019/20 as required by the Public Sector Internal Audit Standards.
- 3.3 The Audit Committee also approved the Internal Audit Annual Plan 2019/20 and has received quarterly monitoring reports from the Chief Auditor showing progress against the 2018/19 Audit Plan.

- 3.4 The quarterly monitoring reports identified any audits that received a moderate or limited level of assurance along with an outline of the issues which led to the audit receiving the negative assurance level.
- 3.5 From April 2018 the relevant Head of Service and Service Manager have been required to attend Audit Committee following a moderate or limited audit report being issued in order to provide an update to members as to what action is being taken to address the issues that have been highlighted by the audit.
- 3.6 The Internal Audit Annual Report for 2017/18 was reported to the Audit Committee in August 2018 and the Internal Audit Annual Report for 2018/19 was reported to the Audit Committee in August 2019. Both reports included a review of actual work completed compared to the Annual Plan.
- 3.7 The Internal Audit Annual Reports for both 2017/18 and 2018/19 also included the Chief Auditor's opinion on the internal control environment which in both cases, stated that based on the audit testing carried out reasonable assurance could be given that the systems of internal control were operating effectively and that no significant weaknesses were identified which would have a material impact on the Council's financial affairs.
- 3.8 The Internal Audit Annual Report of School Audits 2017/18 was presented to the Audit Committee. This report summarised the school audits undertaken during the year and identified some common themes identified across school audits.

Annual Governance Statement 2017/18 & 2018/19

- 3.9 The draft Annual Governance Statement for 2017/18 was presented to the Audit Committee in July 2018 and draft Annual Governance Statement for 2018/19 was presented to the Audit Committee in August 2019, prior to being reported to Council for approval.
- 3.10 This gave the Committee the opportunity to review and comment upon the Statements to ensure that they properly reflected the assurances provided to the Committee.

Annual Statement of Accounts 2017/18 & 2018/19

- 3.11 The Strategic Finance Manager (Corporate) presented the draft Statement of Accounts 2017/18 for the Council and the Pension Fund to the Committee in July 2018 and the Chief Finance and Section 151 Officer presented the draft Statement of Accounts 2018/19 for the Council in August 2019. Officers answered a number of queries raised by members of the Committee.
- 3.12 Following completion of the audit of the Statement of Accounts 2017/18 and 2018/19, the Wales Audit Office presented its ISA 260 reports on the

audit of financial statements of the Council and Pension Fund to the Audit Committee prior to the reports going to Council. The reports presented the detailed findings of the audit and stated that the Wales Audit Office view was that the accounts gave a true and fair view of the financial position of the Council and Pension Fund.

External Audit Assurance

- 3.13 As well as the Audit of the Statement of Accounts reports mentioned above, the Wales Audit Office also provided an update report to the majority of scheduled meetings. The reports outlined the progress being made in financial and performance audit work to the Committee.
- 3.14 The Wales Audit Office also provided assurance to the Audit Committee by presenting the following reports:
- Annual Improvement Report 2017/18
 - Annual Audit Letter 2017/18
 - Overview and Scrutiny: Fit for the future?
 - Wales Audit Office Audit Plan 2019
- 3.15 The Annual Audit Letter was presented to the Committee as an urgent agenda item in December 2018. The report concluded that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources, but the Council continues to face significant financial challenges.
- 3.16 The report summarised the consequences of repeated budget overspends year on year and the resulting depletion of the general fund reserve. The report also noted that it was evident that the Council has had difficulty in delivering its planned levels of efficiency savings in a number of service areas. As a result, Wales Audit Office committed to undertaking a more detailed review of the Council's financial position in 2019/20.

Implementation of Audit Recommendations

- 3.17 An important role undertaken by the Audit Committee is monitoring the implementation of agreed audit recommendations arising from both internal and external audit.
- 3.18 The implementation of any Internal Audit recommendations arising from the fundamental audits is reported to the Audit Committee in the Recommendations Tracker report. For 2017/18, the results of the tracker exercise showed that 78% of agreed recommendations had been implemented by 30 September 2018.
- 3.19 The implementation of any high or medium risk recommendations arising from non-fundamental audits that received a moderate or limited level of assurance are subject to follow up visits by Internal Audit to confirm they

have been implemented. The results of the follow up audits are reported to the Audit Committee in the quarterly Internal Audit Monitoring Reports.

- 3.20 The Internal Controls Report presented to the Audit Committee by the external auditors includes any recommendations made as a result of their work and the action taken by management to implement the recommendations.

Governance and Risk Management

- 3.21 The Local Government (Wales) Measure 2011 makes the overview of risk management a function of the Audit Committee
- 3.22 A training presentation was made to the Committee on Risk Management during the year. In addition, the Committee received an additional presentation from the Strategic Delivery & Performance Manager in relation to the updated Risk Management Policy & Framework.
- 3.23 The Strategic Delivery & Performance Manager also provided regular updates to the Committee in relation to Risk Management throughout the year.
- 3.24 The Chair has no access to the Corporate and Directorate Risk Register, but members do have access to the Corporate and Directorate Risk Registers. The Corporate Risk Register was presented to committee on the 14th August 2018, with the Directorate Risk Register being presented on the 11th December 2018.
- 3.25 The Committee remains concerned that until the development of the electronic risk management arrangements are in place the Committee is unable to fully review the effective development and operation of risk management in the Council.
- 3.26 The Committee also received a presentation from the Deputy Chief Executive which outlined the Council's Governance Framework.

Relationship with Scrutiny Function

- 3.27 The Audit Committee has continued to develop a relationship with the Scrutiny function. The relationship is intended to ensure the following:
- Mutual awareness and understanding of the work of Scrutiny and the Audit Committee.
 - Respective workplans are coordinated to avoid duplication / gaps.
 - Clear mechanism for referral of issues if necessary.
- 3.28 The Chair of the Scrutiny Programme Committee has attended the Audit Committee to provide an update on the work of Scrutiny.

- 3.29 The Chair of the Audit Committee has also attended the Scrutiny Programme Committee to provide an update on the work of the Audit Committee.

Anti-Fraud

- 3.30 A Corporate Fraud Function was established during 2015/16 within the Internal Audit Section and the Corporate Fraud Annual Plan 2019/20 and Corporate Fraud Function Annual Report 2017/18 were presented to the Audit Committee.

Audit Committee Briefings

- 3.31 The Audit Committee received a number of briefings during 2018/19 as noted below:

- Work of Policy Development & Delivery Committees
- Review of Revenue Reserves
- Update on Trusts and Charities
- Treasury Management Annual Report 2017/18
- Update on Senior Management Assurance Statements
- Internal Audit Annual Plan Methodology 2019/20
- WAO Overview and Scrutiny: Fit for the future?
- Governance update and presentation by the Deputy Chief Executive
- Internal Audit Charter 2019/20
- Internal Audit Strategy & Annual Plan 2019/20
- DBS process update

Audit Committee Training

- 3.32 As stipulated in CIPFA guidance, training was provided in the follow areas:

- Audit Committee Role & Function
- Risk Management
- Financial Control & Accounting
- Governance
- Internal Audit
- External Audit
- Counter Fraud

- 3.33 The training in 2018/19 was delivered in short sessions prior to the start of each committee meeting.

- 3.34 A listing of all areas that were reviewed by the committee in 2018/19 can be found in Appendix 2.

4 Audit Committee Performance Review 2018/19

- 4.1 The Audit Committee's annual performance review for 2018/19 will be facilitated by the Wales Audit Office and is due to take place on 16th September 2019.

5. Audit Committee Performance Review 2017/18

- 5.1 The Audit Committee's annual performance review for 2017/18 was facilitated by the Wales Audit Office in June 2018. Members were asked to consider the areas that they felt had gone well and those they felt could be improved. The session was based around the seven core functions of an audit committee established by CIPFA.
- 5.2 Overall, the outcome of the performance review was that the Audit Committee judged the committee positively with a range of 5.5-7.5 out of a score of 10 for six of the seven core functions. Core function one relating to the committee's understanding of the Council's assurance framework and risk scored 3.6.
- 5.3 Eleven key findings were raised by the Wales Audit Office to be taken forward in 2018/19 to further strengthen the effectiveness of the Audit Committee. A summary of the key findings and the most recent update on implementation can be found in Appendix 3. As can be seen, the majority of the key findings have been actioned.

6. Looking Ahead

- 6.1 As the Chair has indication in her foreword, the financial challenges facing the Council will continue as will the need to increase performance. Within this context, the importance of an effective Audit Committee remains critical and the Committee is committed to enhancing its effectiveness through an ongoing training programme, delivering against the Wales Audit Office efficiency improvements and liaising with Officers to enhance the information that the Committee receives. The Committee will keep the Work Programme under regular review and will ensure that the Work Programme contains the critical challenges that the Council faces.
- 6.2 Following the Chair's attendance at the all Wales Chair of Audit Committee Network event on 11th October 2019 and good practice or lessons to share/learn will be discussed at Audit Committee.

7. Committee Membership & Attendance

- 7.1 The membership of the Audit Committee during 2018/19 consisted of one Lay Member and 13 Non Executive Councillors elected by Council. Independent Members are appointed for no more than two administrative terms with Council Members reappointed annually.

- 7.2 The Committee is serviced by Council Officers, principally the Chief Finance Officer & Section 151 Officer, and the Chief Auditor. Representatives from the WAO also attend Audit Committee meetings.
- 7.3 The Committee met on 10 occasions during 2018/19 and followed a structured workplan which covered all areas of the Committee's responsibilities with the aim of obtaining assurance over the areas included in its terms of reference. The Committee includes a lay member as required by the Local Government (Wales) Measure 2011. The lay member is also the Chair of the Committee.
- 7.4 The Audit Committee met on 10 occasions throughout the municipal period 2018/19 on the following dates: 12th June, 26th June, 17th July, 14th August, 23rd August, 11th September, 9th October, 11th December, 12th February and 9th April.
- 7.5 Committee Member attendance in 2018/19 is shown in the following table:

Attendance 2018/19	Possible	Actual
Independent Lay Members		
Mrs Paula O'Connor (Chairperson)	10	9
Non-Executive Councillors		
Councillor Paxton Hood-Williams (Vice Chairperson)	10	9
Councillor Cyril Anderson	10	8
Councillor Terry Hennegan	10	7
Councillor Beverley Hopkins (May to September)	6	0
Councillor Erika Kirchner (October to April)	4	3
Councillor Oliver James	10	5
Councillor Jeff Jones	10	8
Councillor Peter K Jones	10	8
Councillor Mike Lewis	10	8
Councillor Lesley Walton	10	7
Councillor Mike White	10	9
Councillor Sam Pritchard	10	7
Councillor Peter Black	10	9
Councillor Will Thomas	10	7

- 7.6 There were a number of changes to the membership of the Audit Committee during 2018/19. Of the current committee members, 11 were also members in 2017/18. The previous Vice Chairperson Councillor Lynda James resigned from the committee at the end of the last municipal year and was replaced by Councillor Peter Black. Councillor Paxton Hood-Williams was appointed as Vice Chairperson for 2018/19. Councillor Beverley Hopkins sat on the committee until September 2018 and was replaced by Councillor Erika Kirchner for the rest of the municipal year.
- 7.7 The Committee moved to a schedule of 2-monthly meetings in 2015/16 however it was recognised that the agenda for the 2-monthly meetings were becoming excessively long so a number of special meetings were arranged to help smooth out the Committee's work programme.
- 7.8 The Committee met on 10 occasions during 2018/19. Over the course of the year, attendance at the meetings was 74%.

8. Future Audit Committee Meetings

- 8.1 The Council Diary for the current municipal year continues to include Audit Committee meetings on a 2 monthly basis.
- 8.2 However, additional/special meetings may need to be held at certain times of the year to ensure the smooth delivery of the Committee's work programme. The Committee also has the ability to call further additional meetings when required.

9. Audit Committee Contact Details

Paula O'Connor Chair of Audit Committee	Chair.Audit@swansea.gov.uk
Councillor Paxton Hood-Williams Vice Chair of Audit Committee	Cllr.Paxton.Hood-Williams@swansea.gov.uk 01792 872038
Ben Smith Section 151 & Chief Finance Officer	Ben.Smith@swansea.gov.uk 01792 636409
Jeff Dong Deputy Section 151 & Chief Finance Officer	Jeffrey.Dong@swansea.gov.uk 07810438119/ 07811847582
Simon Cockings Chief Auditor	Simon.Cockings@swansea.gov.uk 01792 636479
Jason Garcia Wales Audit Office	Jason.Garcia@audit.wales

10. Equality and Engagement Implications

10.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

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

11. Financial Implications

11.1 There are no financial implications associated with this report.

12. Legal Implications

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

Background Papers: None

Appendices: Appendix A - Audit Committee Terms of Reference
Appendix B - Audit Committee Items Reviewed
Appendix C - Key Findings from the Committee Performance Review
2017/18

Audit Committee Terms of Reference

Audit Committee Statement of Purpose

1. Our audit committee is a key component of the City and County of Swansea's corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of our audit committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City and County of Swansea's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk and Control

3. To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
5. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
6. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
7. To monitor the effective development and operation of risk management in the Council.
8. To monitor progress in addressing risk related issues reported to the committee.
9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
10. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
11. To monitor the counter fraud strategy, actions and resources.

Internal Audit and External Audit

12. To approve the internal audit charter and resources.
13. To consider the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
14. To consider summaries of specific internal audit reports as requested.

15. To consider reports dealing with the management and performance of the providers of internal audit services.
16. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
17. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
18. To consider specific reports as agreed with the external auditor.
19. To comment on the scope and depth of external audit work and to ensure it gives value for money.
20. To commission work from internal and external audit.

Financial Reporting

21. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
22. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

23. To report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

Note: Audit Committee Statement of Purpose extracted from the Council Constitution (31.01.18).

Committee Meeting Date	Items Reviewed
12 June 2018	Audit Committee Training Programme 2018/19 Internal Audit Monitoring Report Q4 2017/18 Audit Committee Performance Review 16/17 Action Plan Update Report WAO Proposals for Improvement Report – Six Month Update Overview of the Overall Status of Risk Report Q4 2017/18
26 June 2018	WAO Audit Committee Review of Performance 2017/18
17 July 2018	Draft Annual Governance Statement 2017/18 Draft Statement of Accounts 2017/18 WAO – City and County of Swansea Pension Fund 2017/18 Audit Enquiries to those Charged with Governance and Management WAO – City and County of Swansea 2017/18 Audit Enquiries to those Charged with Governance and Management
14 August 2018	Draft Statement of Accounts 2017/18 – Pension Fund Draft Audit Committee Annual Report 2017/18 Internal Audit Annual Report 2017/18 Audit Committee Review of Performance 2017/18 Action Plan - Draft Overview of the Overall Status of Risk Report Q1 2018/19
23 August 2018	Draft Annual Governance Statement 2017/18
11 September 2018	Internal Audit Monitoring Report Q1 2018/19 Corporate Fraud Annual Report 2017/18 WAO ISA 260 Report 2017/18 – CCS WAO ISA 260 Report 2017/18 – Pension Fund
9 October 2018	Scrutiny Work Programme 2018/19 Update on work of Policy Development Committees Annual Report of School Audits 2017/18 WAO Annual Improvement Report 2017/18 Chief Education Officer response to Schools Audit Report

<p>11 December 2018</p>	<p>Internal Audit Monitoring Report Q2 2018/19 Fundamental Audits Recommendation Tracker Report 2017/18 Overview of the Overall Status of Risk Report Q2 2018/19 Review of Revenue Reserves Report Trusts & Charities Update Report Treasury Management Annual Report 2017/18 Senior Management Assurance Statements Update Report Internal and External Audit Recommendation Follow-up Procedure Report Wales Audit Office Annual Audit Letter (Urgent Item)</p>
<p>12 February 2019</p>	<p>AC Performance Review 17/18 Action Plan Update Internal Audit Monitoring Report Q3 2018/19 Internal Audit Annual Plan Methodology Report 2019/20 WAO Proposals for Improvement Report – Six Month Update Overview of the Overall Status of Risk Report Q3 2018/19 WAO Overview and Scrutiny: Fit for the future? Report</p>
<p>9 April 2019</p>	<p>Governance Update Internal Audit Charter 2019/20 Internal Audit Strategy and Annual Plan 2019/20 DBS Process Update Report Monthly Corporate Risk Tracking Update Report Corporate Fraud Function Annual Plan 2019/20 WAO Annual Audit Plan 2018/19 CCS & Pension Fund Revenue and Capital Budget Monitoring Report Q3 2018/19 Progress Towards Meeting the Welsh Housing Quality Standards Report</p>

KEY FINDINGS & PROPOSED ACTON PLAN
AUDIT COMMITTEE PERFORMANCE REVIEW 2017/18

Key Finding	Proposed Actions	Target Date	Progress Update 13/08/19
<p>Assurance Framework – The Audit Committee needs clarity on the Council’s Assurance Framework.</p>	<p>Audit Committee to be provided with a report that outlines the governance and assurance arrangements operating across the Council.</p> <p>Lead Officer: Chief Executive</p>	September 2018	<p>Complete Presentation by the Deputy Chief Executive to Audit Committee covering Governance Framework was provided on 09/04/19.</p>
<p>Risk Register – The Audit Committee needs to see the detail behind the Corporate Risk Register.</p>	<p>Corporate Risk Register to be reported to Audit Committee at future meetings.</p> <p>Lead Officer: Strategic Delivery & Performance Manager</p>	August 2018	<p>Complete Committee received register details on 14/08/18.</p>
<p>Annual Governance Statement (AGS) – The Audit Committee would like to see the AGS separated from the Annual Accounts and a draft copy sent to them for comment prior to approval.</p>	<p>Annual Governance Statement received at the July 2018 meeting and comments made by members. The Chair also met with Officers after the meeting to highlight further queries.</p> <p>The Annual Governance Statement to be brought back to Audit Committee as a second draft.</p> <p>Lead Officer: Head of Legal, Democratic Services & Business Intelligence</p>	September 2018	<p>Complete AGS was presented to Committee separated from the Annual Accounts on 17/17/18.</p> <p>Amended version was distributed to Members on 13/08/18. Special Meeting was arranged to discuss and approve final amended version of the AGS on 23/08/18.</p>
<p>Benchmarking – The Chair has provided benchmarking detail to Internal Audit (from other Councils) but there are no plans to visit and meet with other Audit Committees:</p> <p>i) Consider how to best use this benchmarking information.</p> <p>ii) Consider visits to other audit committees to search for good practice.</p>	<p>The Corporate Management Team will consider this further and update the Audit Committee.</p> <p>The Chair has asked for arrangements to be made to visit Cardiff Audit Committee.</p> <p>Lead Officer: Head of Democratic Services</p>	December 2018 September 2018	<p>Ongoing</p> <p>Completed Visit took place 13/11/18 – Chair, Vice Chair and Chief Auditor attended.</p>

Key Finding	Proposed Actions	Target Date	Progress Update 13/08/19
<p>Council Objectives – The Audit Committee would like to see the amount of over-run and deferred audits to be included in the AGS.</p>	<p>As noted above comments and queries will be progressed/actioned by the Head of Legal, Democratic Services & Business Intelligence and the Governance Group.</p> <p>Lead Officer: Head of Legal, Democratic Services & Business Intelligence</p>	September 2018	<p>Complete Amended version of the AGS included commentary to reflect this, as approved by Committee on 23/08/18.</p>
<p>Partnerships – Review the mechanisms for assessing and scrutinising the risk associated with partnerships.</p>	<p>Audit Committee to be provided with a report that outlines the mechanisms for assessing and scrutinising the risks associated with partnerships.</p> <p>Lead Officer: Chief Executive / Head of Legal, Democratic Services & Business Intelligence.</p>	December 2018	<p>Ongoing</p>
<p>Reporting – produce a programme of expected external reports for Audit Committee to receive.</p>	<p>Known expected external reports will be added to the Audit Committee Work Programme.</p> <p>Lead Officer: Strategic Delivery & Performance Manager.</p>	December 2018	<p>Ongoing Reports will be added to the Audit Committee agenda for information as they arise.</p>
<p>Recommendations – produce a tracker for the recommendations that arise from the work of internal and external audit so that Audit Committee can effectively monitor progress.</p>	<p>Tracker for recommendations to be developed that will capture internal and external recommendations.</p> <p>To be discussed with Chief Auditor and Chief Finance Officer.</p> <p>Lead Officer: Chief Auditor, Chief Finance Officer</p>	December 2018	<p>Ongoing Report provided to Committee outlining the method of tracking internal and external audit recommendations on 11/12/18.</p>

Key Finding	Proposed Actions	Target Date	Progress Update 13/08/19
<p>Wales Audit Office (WAO) escalation process – clarify the process the WAO uses to escalate actions when recommendations have not been completed.</p>	<p>WAO to explain the process at the next Audit Committee Meeting.</p> <p>Lead: Wales Audit Office</p>	<p>September 2018</p>	<p>WAO Response received 22/08/18 for discussion:</p> <p>There is no formal process as such. The process is to agree actions with service managers and directors. If we have any problems with agreement or progress we will escalate to the Chief Executive. If we still have issues we will then raise with the Audit Committee Chair Audit Committee.</p>
<p>Meeting with WAO – consider who should attend meetings with the WAO as external auditor (just the Chair or the whole committee).</p>	<p>To be discussed by Committee.</p> <p>Lead: Chair of the Audit Committee</p>	<p>September 2018</p>	<p>WAO Response received 22/08/18 for discussion:</p> <p>This is a decision for the Audit Committee although as a minimum we would expect at least an annual meeting with the Chair. We are happy to meet the Chair and the Committee or a combination of both during the year. As per comment above, if we feel it is necessary we will request an ad hoc meeting with the Chair or the full Audit Committee.</p>

Agenda Item 10.



Report of the Chair of the Scrutiny Programme Committee

Council – 24 October 2019

Scrutiny Annual Report 2018/19

Purpose:	To provide a report on the work of scrutiny for the municipal year 2018-19.
Policy Framework:	Council Constitution
Consultation:	Finance, Legal, Access to Services
Report Authors:	Councillor Mary Jones / Brij Madahar
Finance Officer:	Paul Cridland
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window
For Information	

1. Introduction

- 1.1 Every year Council requires that an annual report is produced for the work of scrutiny for the previous municipal year.
- 1.2 The Scrutiny Annual Report is used to:
 - Highlight the work carried out by scrutiny
 - Show how scrutiny has made a difference
 - Support continuous improvement for the scrutiny function
- 1.3 The report is produced as a simple scorecard. This approach is intended to highlight a small number of key indicators that illustrate four performance questions. These questions, which are intended to reflect a 'results based' approach, are:
 - How much scrutiny did we do?
 - How well did we do?
 - How much did scrutiny affect the business of the Council?
 - What were the outcomes of scrutiny?

- 1.4 Charts have been added that show comparative data with previous years where available. Arrows on the main scorecard have also been added to indicate the direction of change for each measure.
- 1.5 The annual report was agreed by the Scrutiny Programme Committee on 14 October 2019.
- 1.6 Any comment made by Council will be considered by the Committee to inform future annual reports.

2. Financial Implications

- 2.1. There are no specific financial implications raised by this report.

3. Legal Implications

- 3.1. The Council Constitution requires that a scrutiny annual report is produced each year although the style and content of the annual report is not prescribed.

4. Equality and Engagement Implications

- 4.1 There are no equality and engagement implications associated with the report.

Background Papers: None

Appendices:

Scrutiny Annual Report 2018-19

Scrutiny Annual Report 2018/19

Scrutiny Programme Committee
City and County of Swansea - Dinas a Sir Abertawe



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1. Chair's Foreword

Councillor Mary Jones, Chair of the Scrutiny Programme Committee



I am proud to present our second annual report of this Council term, as Chair of the Scrutiny Programme Committee.

Scrutiny is a vital part of local democracy and good governance. This report reflects on the range of different activities carried out by scrutiny councillors over the past year to make sure the work of the Council is accountable and transparent, effective and efficient, and helps the Council to achieve its objectives and drive improvement, by questioning and providing challenge to decision-makers.


Our report focuses on how scrutiny has made a difference for a better Swansea, and our efforts to support the continuous improvement of scrutiny practice here, building on the positive review of our scrutiny arrangements last year by the Wales Audit Office.

Measuring the performance of scrutiny in a meaningful way is not particularly easy, however we have tried to take a 'results based' approach to tell you about:

- How much scrutiny we did
- How well we did it
- How much scrutiny affected the business of the Council
- What the outcomes of scrutiny were

We hope that this report provides you with assurance and confidence that councillors involved in scrutiny are contributing to better services, policies and decisions, and a better Swansea.

Finally, I must give my thanks to all of the councillors who have led or participated in scrutiny over the past year. I look forward to reporting again on achievements in 12 months!

A handwritten signature in cursive script that reads "Mary Jones".

2. Swansea Scrutiny Results Scorecard 2018-19

Scrutiny Practice	A. How much scrutiny did we do?	B. How well did we do?
	<ol style="list-style-type: none"> 1. Number of Committee meetings = 14 ↑ (13) 2. Number of Panel & Working Group meetings = 95 ↑ (69) 3. Number of in-depth inquiries completed = 1 ↔ (1) 4. Number of Working Group topics completed = 8 ↑ (7) 	<ol style="list-style-type: none"> 5. Average councillor attendance at scrutiny meetings = 69% ↑ (68%) 6. Backbench councillors actively involved in scrutiny = 71% ↓ (80%) 7. Meetings with public observers = 49% ↑ (20%) 8. Meetings with public input = 27% ↑ (11%) 9. Meetings attracting media coverage = 32% ↑ (7%)
Scrutiny Outcomes	C. How much did scrutiny affect the business of the Council?	D. What were the outcomes of scrutiny?
	<ol style="list-style-type: none"> 10. Number of chairs letters sent to cabinet members = 64 ↑ (63) 11. Average time for Cabinet Member response letter = 20 days ↑ (19) 12. Letters responded to within 21 day target = 63% ↓ (71%) 13. Number of scrutiny reports to Cabinet = 2 ↑ (1) 14. Cabinet Action plans agreed = 1 ↓ (2) 15. Follow ups undertaken = 2 ↓ (4) 16. Number of Cabinet reports subject to pre decision scrutiny = 8 ↓ (12) 17. Number of Cabinet reports subject to Call-in = 1 18. Cabinet members who attended at least one question and answer session at the Scrutiny Programme Committee = 100% ↔ (100%) 	<ol style="list-style-type: none"> 19. Scrutiny recommendations accepted or partly accepted by Cabinet = 100% ↑ (92%) 20. Recommendations signed off by scrutiny as completed = 56% ↓ (74%)

(Last year in brackets) ↓↑ = notable change, ↓↑ = small change, ↔ no change

3. About the Indicators

In the past few years, we have reported on key results from our annual councillor and stakeholder survey. We did not carry out this survey during 2018-2019 due to resources. The survey includes asking whether people feel that:

- they have a good understanding of the work of scrutiny
- scrutiny arrangements are working well
- the scrutiny work programme balances community concerns against issues of strategic risk and importance
- scrutiny activities are well-planned
- non-executive members have good opportunities to participate in scrutiny
- scrutiny provides regular challenge to decision-makers
- scrutiny has a positive impact on the business of the Council; and,
- the level of support provided by the Scrutiny Team is either excellent or very good.

Last year's results were very positive and we hope that we will be able to carry out the survey during 2019/20 for the next annual report, to reflect on these important questions. However, we think that the evidence in this annual report reflects well on these aims.

A number of new measures have been included this year, which we feel improves the suite of indicators and provides a better picture of scrutiny work, achievements and impact. This includes showing the response from Cabinet Members to the various scrutiny letters, and the level of press and public engagement.

A. How much scrutiny did we do?

3.1 Number of Committee meetings = 14

The Council has a single overarching Scrutiny Committee, called the Scrutiny Programme Committee, which met 14 times during the 2018-19 municipal year.

The Committee is responsible for developing and managing the overall Scrutiny Work Programme. Overarching priorities were shaped by the annual work planning conference, which took place in June 2018 (open to all non-executive councillors), that heard a

range of perspectives on what should be included. All councillors can suggest particular topics of concern for possible scrutiny. The councillor-led Scrutiny Work Programme is guided by the overriding principle that the work of scrutiny should be strategic and significant, focussed on issues of concern, and represent a good use of scrutiny time and resources.

Specific scrutiny activities included in the work programme are carried out either by the Committee or by establishing informal Panels and Working Groups. All meetings are held in public.

Formal committee meetings for scrutiny give councillors the opportunity to hold cabinet members to account and provide challenge on a range of policy and service issues.

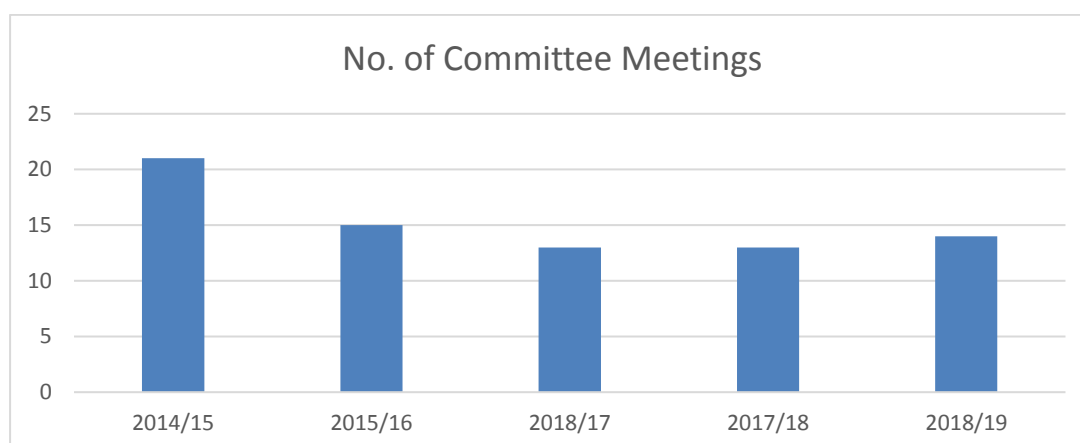
This included holding structured Question & Answer sessions with cabinet members to explore their work, looking at priorities, actions, achievements and impact.

The following topics were also examined by the Committee:

- Scrutiny Improvement & Development Objectives
- Swansea Bay City Deal Joint Scrutiny Committee
- Wales Audit Office Report – Overview & Scrutiny: Fit for the Future?
- Consultation on Draft Homelessness Strategy and Action Plan 2018-2022
- Annual Corporate Safeguarding Report
- Children & Young People’s Rights Scheme – Compliance & Progress
- Wales Audit Office Reports to Scrutiny
- Sustainable Swansea Programme - Commissioning Reviews: Service Areas Post Implementation Updates
- Scrutiny Improvement Action Plan (Wales Audit Office Report – Overview & Scrutiny: Fit for the Future? & Improvement Objectives)

The Committee is also the Council’s designated committee for Crime & Disorder Scrutiny and a meeting to discuss the performance of the local Community Safety Partnership, the Safer Swansea Partnership, took place in April 2019.

Comparison with previous years:



3.2 Number of Panel & Working Group meetings = 95

It is important that the Scrutiny Work Programme strikes a balance between community concerns and strategic issues. The Committee will consider what specific topics should feature in the programme so that it focusses on the right things.

Most of the work of scrutiny is delegated to informal topic based Panels and Working Groups. Scrutiny Panels and Working Groups are established by the Scrutiny Programme Committee, with an appointed convener (chair), to carry out specific scrutiny activities. There are two types of panels:

Inquiry Panels - these undertake in-depth inquiries into specific and significant areas of concern on a task and finish basis.

Topics examined during 2018-19:	Convener
<ul style="list-style-type: none"> Natural Environment Key Question: What should Swansea Council be doing to maintain, enhance and promote its natural environment and biodiversity, and in doing so promote the resilience of eco-systems? 	Cllr. Peter Jones
<ul style="list-style-type: none"> Equalities Key Question: How effectively is the Council meeting and embedding the requirements under the Equality Act 2010 (Public Sector Duty for Wales)? 	Cllr Louise Gibbard

Performance Panels - these provide in-depth performance / financial monitoring and challenge for clearly defined service areas.

Performance Panels 2018-19:	Convener
<ul style="list-style-type: none"> • Service Improvement & Finance (monthly) • Adult Services (monthly) • Schools* (monthly) • Child & Family Services (every two months) • Development & Regeneration (every two months) • Public Services Board (quarterly) 	Cllr. Chris Holley Cllr. Peter Black Cllr. Mo Sykes Cllr. Paxton Hood-Williams Cllr. Jeff Jones Cllr. Mary Jones

* since May 2019 the Panel is now known as the Education Performance Panel and Cllr Lyndon Jones is the new convener after Cllr Mo Sykes stood down

Working Groups are one-off meetings established to enable a 'light-touch' approach to specific topics of concern.

Working Groups 2018-19:	Convener
<ul style="list-style-type: none"> • Homelessness (carried over from 2017/18) • Community Cohesion & Hate Crime (carried over from 2017/18) • Air & Noise Pollution • Welfare Reform • Environmental Enforcement • Local Flood Risk Management (meets annually) • Anti-Social Behaviour • Tourism 	Cllr Peter Black Cllr Louise Gibbard Cllr Joe Hale Cllr Louise Gibbard Cllr Jeff Jones Cllr Peter Jones Cllr Terry Hennegan Cllr Peter Jones

3.3 Number of in-depth inquiries completed = 1

Work on the following in-depth inquiry was completed during 2018-19:

- Natural Environment: *What should Swansea Council be doing to maintain, enhance and promote its natural environment and biodiversity, and in doing so promote the resilience of eco-systems?*

3.4 Number of Working Group topics completed = 8

Work on the following topics was completed during 2018-19 through meetings of Working Groups:

- Homelessness (carried over from 2017/18)
- Community Cohesion & Hate Crime (carried over from 2017/18)
- Air & Noise Pollution
- Welfare Reform
- Environmental Enforcement
- Local Flood Risk Management (meets annually)
- Anti-Social Behaviour
- Tourism

B. How well did we do?

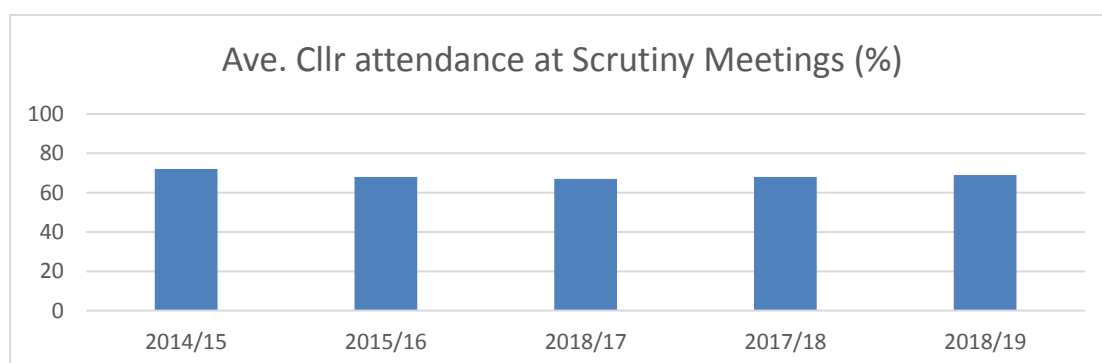
3.5 Average councillor attendance at scrutiny meetings = 69%

The rate of councillor attendance measures an important aspect of effectiveness as it reflects the engagement of councillors in the scrutiny process.

The membership of the Scrutiny Programme Committee is determined by Council. However, membership of the various informal Panels and Working Groups is based on interest shown by councillors in the topics under scrutiny. Based on expressions of interest the membership of panels and working groups is determined by the Committee.

Attendance figures for councillors are collected by the Council's Democratic Services Team and published on the Council's website. 2018/19's figure is an overall attendance figure that includes the Scrutiny Programme Committee, Panel meetings and the Working Groups.

Comparison with previous years:

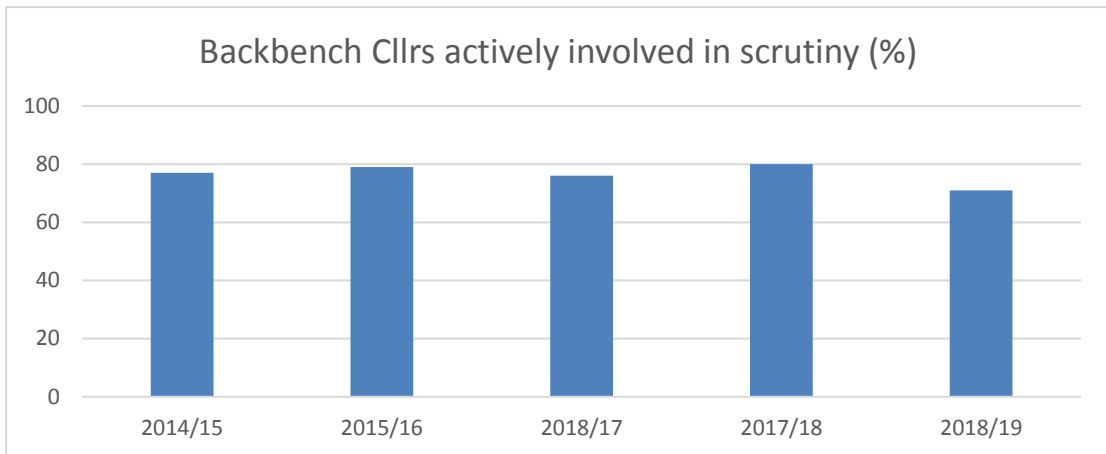


3.6 Backbench councillors actively involved in scrutiny = 71%

All backbench councillors have the opportunity to participate in scrutiny work regardless of committee membership. New scrutiny topics, once agreed, were advertised to all non-executive councillors and expressions of interest sought to lead and/or participate in these activities. It enables councillors to participate based on interest, and enables them to build up specialist expertise.

The large majority of backbench councillors were involved in scrutiny either through the Scrutiny Programme Committee, Panels or Working Groups.

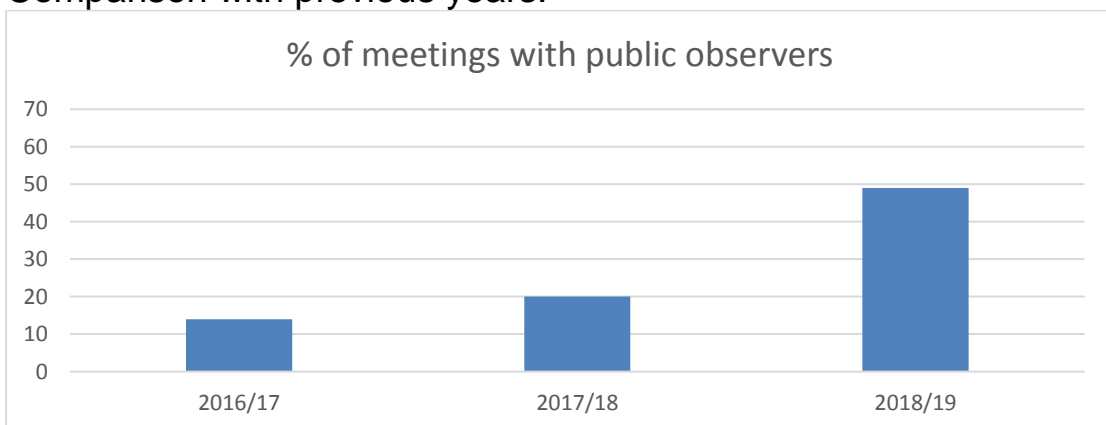
Comparison with previous years:



3.7 Meetings with public observers = 49%

Scrutiny is important as a mechanism for community engagement. All scrutiny meetings, whether the Committee or Panels and Working Group, are conducted in public, subject to specific item of business which contain exempt information. Of the 109 scrutiny meetings held during 2018/9, almost half of these were observed by persons in the public gallery, which indicates there is a significant focus of scrutiny on matters of public interest. Amongst those with the highest percentage of meetings observed were the Equalities Inquiry, Adult Services Performance Panel, Public Services Board Performance Panel, Natural Environment Inquiry, and Development & Regeneration Performance Panel.

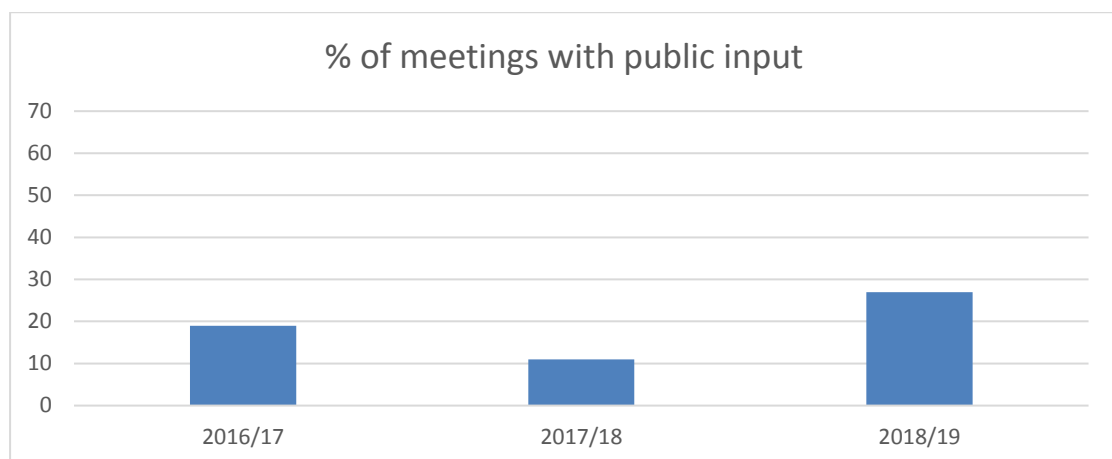
Comparison with previous years:



3.8 Meetings with public input = 27%

As well as attracting interest and observers to listen to what is being discussed, councillors are keen to increase active public involvement in the work of scrutiny. 27% of all scrutiny meetings had some form of such engagement and public input. This input can take various forms, including submission of questions for scrutiny sessions with cabinet members, making suggestions for the scrutiny work programme, contributing evidence to specific items under scrutiny - whether in person or reflected in the meeting agenda. The Equalities Inquiry benefitted from a high level of engagement with a range of groups / networks who represent people with protected characteristics. Other meetings which saw good levels of public input include the Scrutiny Programme Committee, Schools Performance Panel, and Adult Services Panel.

Comparison with previous years:

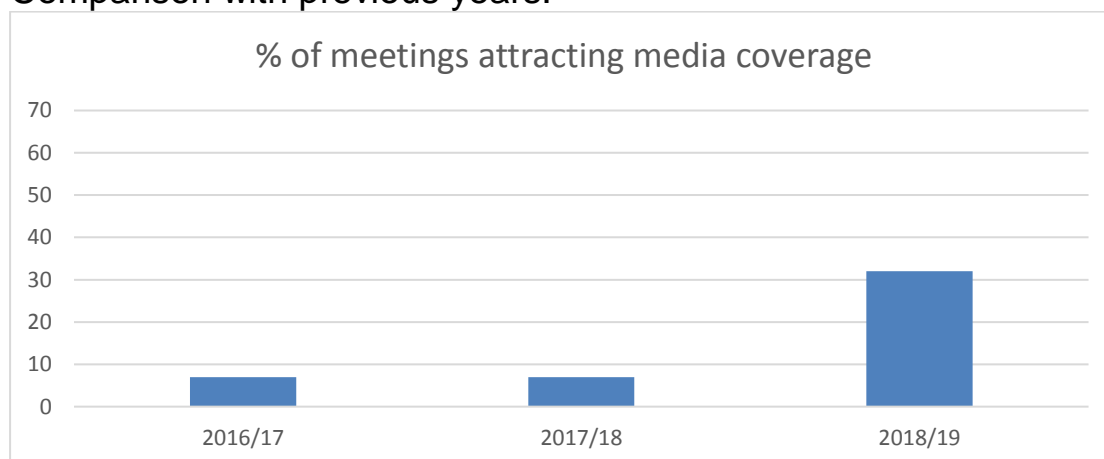


3.9 Meetings attracting media coverage = 31%

As well as attracting interest from individuals and getting members of the public to engage directly, a measure of whether scrutiny is focussed on the right things and is making an impact is the amount of media coverage that scrutiny is attracting. We found that 32% of scrutiny meetings made the news. The work of the Adult Services Performance Panel, Scrutiny Programme Committee, Natural Environment Inquiry Panel, and Development & Regeneration Performance attracted the most media interest. Across all activities there were at least 35 scrutiny discussions reported in the local press (print and on-line). Issues, which generated coverage, included: the Natural Environment, Council Housing & Housebuilding, Future of Leisure Services, Charges for Council

Services, Homelessness, Green Energy & Transport, Costs of Adult Social Care, Waste Disposal & Recycling, Care Homes, School Funding, City Centre Regeneration, Adoption, School Closures, HMOs / Student Accommodation, Fly Tipping, Community Safety, and Care Homes for Looked After Children.

Comparison with previous years:

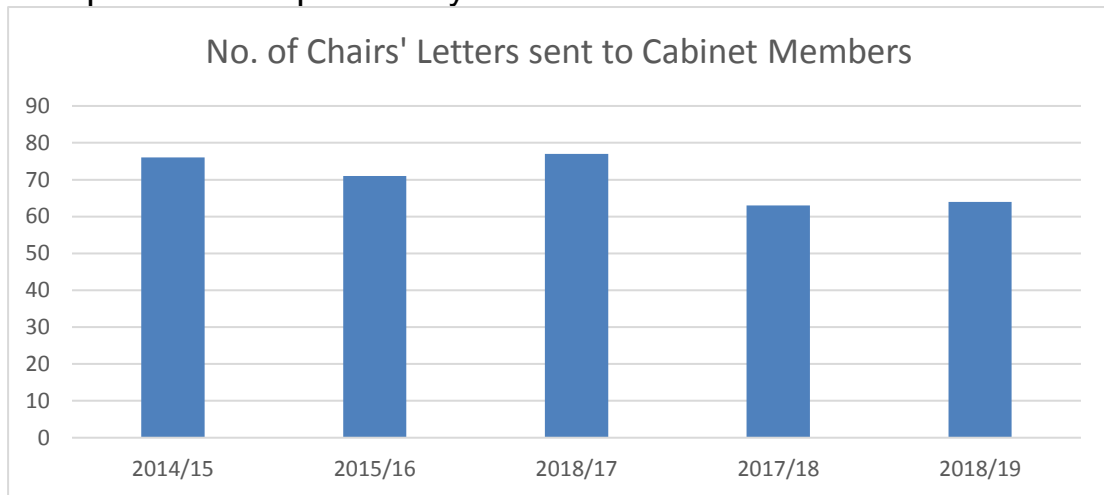


C. How much did scrutiny affect the business of the Council?

3.10 Number of chairs letters sent to cabinet members = 64

Chairs letters are an established part of the scrutiny process in Swansea. They allow the Committee and Panel meetings / Working Groups to communicate quickly and efficiently directly with relevant cabinet members. They will send letters to raise concerns, recognise good practice, ask for further information and make recommendations for improvement, reflecting the discussion at Committee / Panel / Working Group meetings. Letters are effectively 'mini-reports' with conclusions and proposals from scrutiny – and where necessary require a response. 64 letters were sent to Cabinet Members during 2018-19.

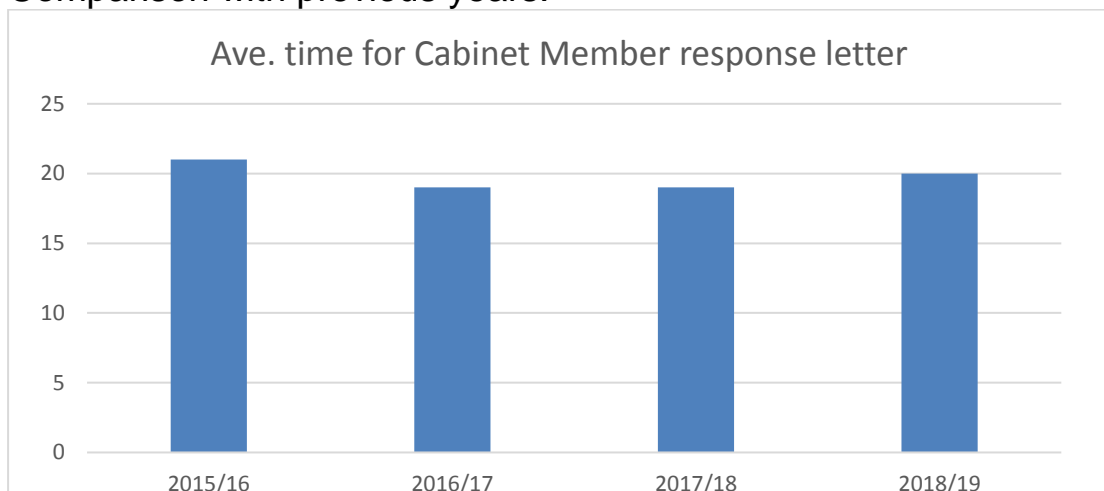
Comparison with previous years:



3.11 Average time for Cabinet Member response letter = 20 days

When scrutiny letters are sent to Cabinet Members and require a response Cabinet Members are required to respond within 21 calendar days. The average response time for letters sent during 2018-19 was 20 days, which indicates that scrutiny is generally getting a timely response to views, concerns, and any suggested action for Cabinet Members.

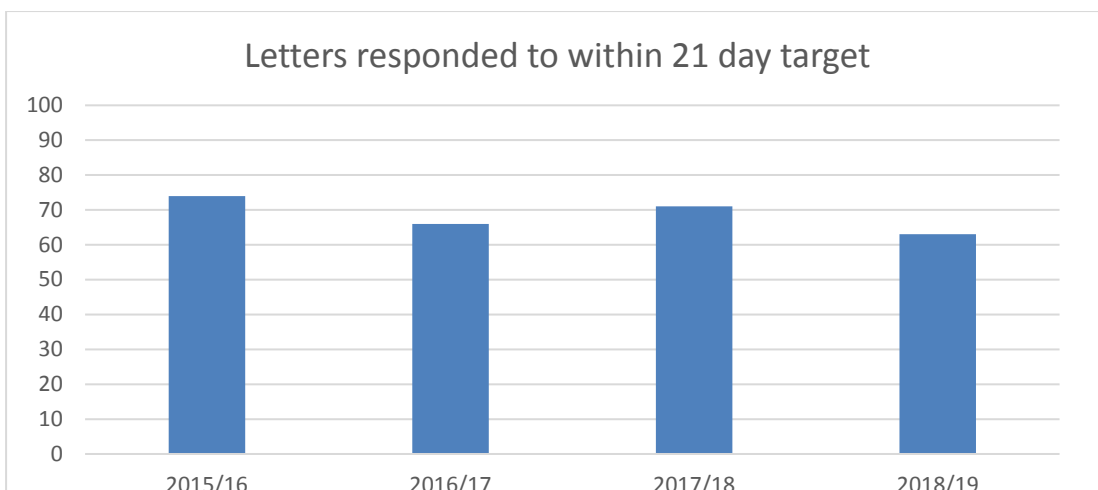
Comparison with previous years:



3.12 Letters responded to within 21 day target = 63%

Whilst the response to scrutiny letters was on average 20 days, some letters did take longer. The number of letters responded to within the 21 day target was 63% (22 out of 35 letters).

Comparison with previous years:

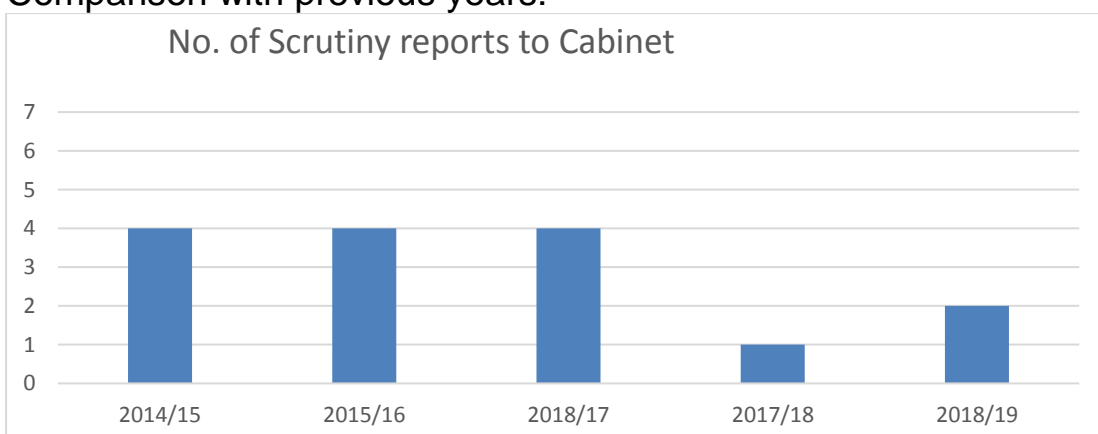


3.13 Number of Scrutiny reports to Cabinet = 2

In-depth inquiries are reported to Cabinet for a response to the recommendations agreed by scrutiny and action plan on how the recommendations will be implemented. The following in-depth reviews were reported to Cabinet from scrutiny with the number of recommendations from each shown:

Inquiry	Convener	Report to Cabinet	No. of Recommendations
Regional Working	Cllr Lyndon Jones	June 2018	11
Natural Environment	Cllr Peter Jones	March 2019	20

Comparison with previous years:

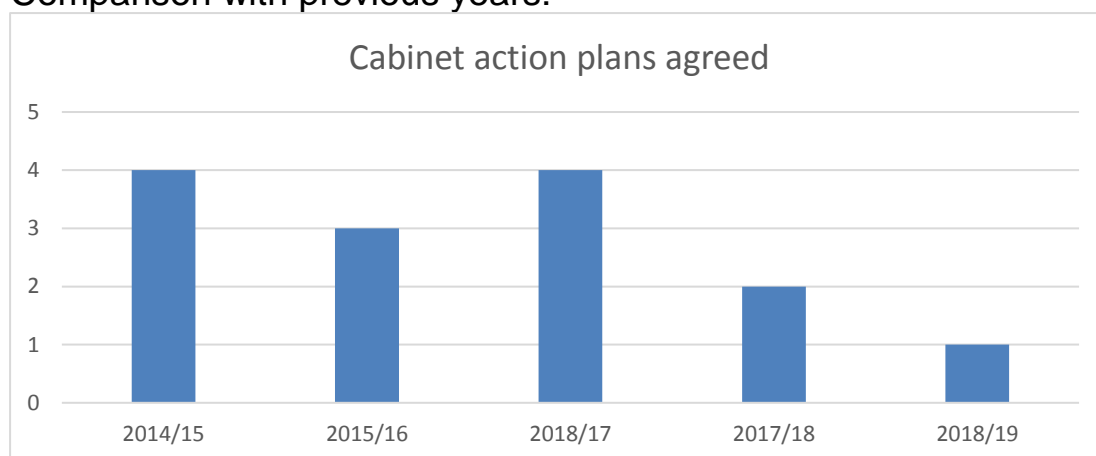


3.14 Cabinet action plans agreed = 1

Once recommendations and an action plan have been agreed by cabinet, scrutiny will follow up on progress with implementation and impact. The following action plans were agreed following in-depth inquiries that were originally carried out during 2017-18:

- Regional Working (Cabinet meeting August 2018) – all 11 recommendations were accepted.

Comparison with previous years:



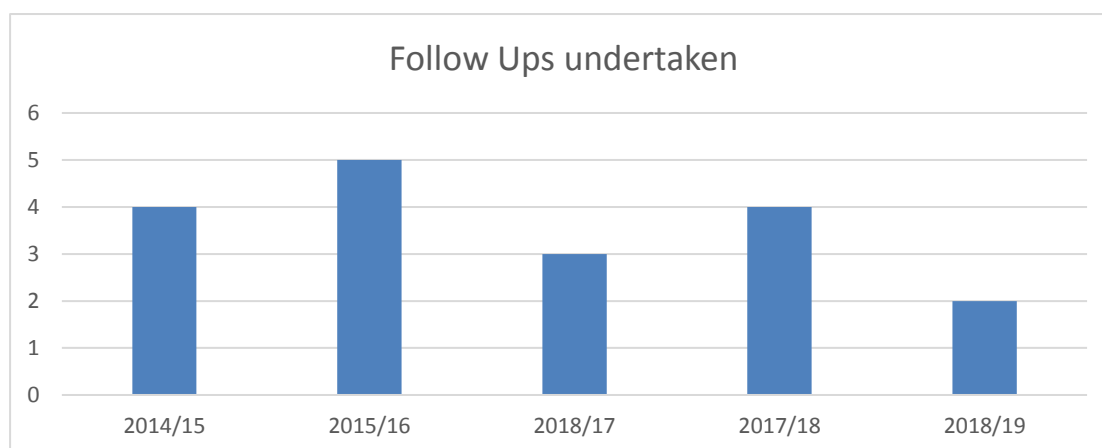
3.15 Follow ups undertaken = 2

Inquiry Panels reconvene to follow up on the implementation of agreed recommendations and cabinet action plans, and assess the impact of their work. A meeting will usually be held 6-12 months following cabinet decision, with a further follow up arranged if required.

In order to check whether the agreed action plans have been carried out, scrutiny will ask for follow up reports from cabinet members. If councillors are satisfied they can then conclude the work for that inquiry. Both previous scrutiny inquiries that required a follow up during 2018-19 were followed up:

Inquiry	Convener	Monitoring Status
Child & Adolescent Mental Health Services	Cllr. Mary Jones	Complete
Tackling Poverty	Cllr Sybil Crouch	Complete

Comparison with previous years:



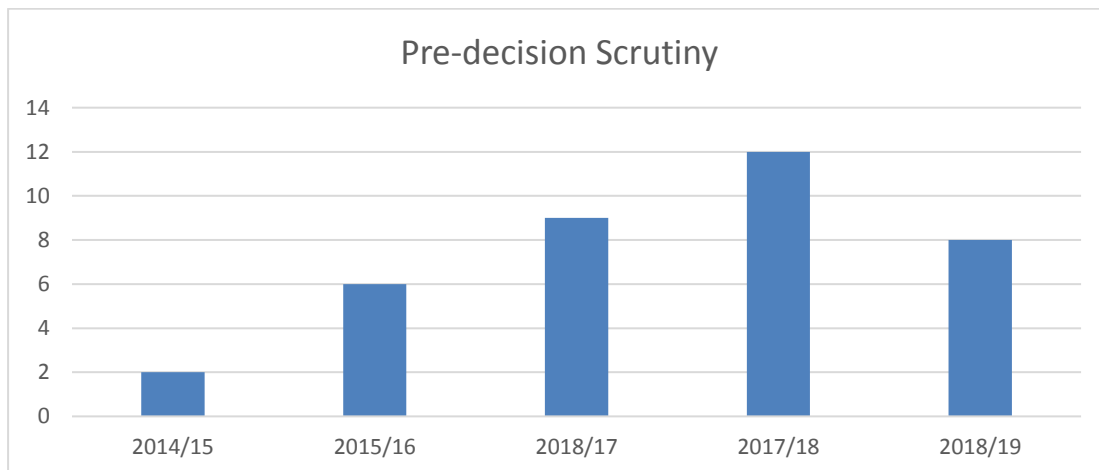
3.16 Number of Cabinet reports subject to pre-decision scrutiny = 8

Pre-decision scrutiny involves scrutiny councillors considering cabinet reports before cabinet makes a final decision. Taking into account strategic impact, public interest, and financial implications, the following 8 cabinet reports were subject to pre-decision scrutiny (carried out by the Committee or relevant Performance Panels), with views reported to Cabinet before decisions were taken:

Report	Cabinet Member	Cabinet Meeting	Undertaken by
More Homes Parc Yr Helyg Site Options Appraisal	Homes & Energy	21 Jun 2018	Committee
Cultural Services Commissioning Review	Investment, Regeneration & Tourism	21 Jun 2018	Service Improvement & Finance Panel
The Future Structure and Delivery of the Ethnic Minority Achievement Unit	Education Improvement, Learning & Skills	19 Jul 2018	Schools Panel
Outcome of Residential Care & Day Services for Older People Consultation	Care, Health & Ageing Well	20 Sep 2018	Adult Services Panel
Homelessness Strategy and Action Plan 2018-2022	Homes & Energy	15 Nov 2018	Committee
Swansea Central Phase 1 Project Update and FPR7	Economy & Strategy (Leader)	29 Nov 2018	Service Improvement & Finance Panel
Small School Review & School Organisation Linked to the Welsh Education Strategic Plan	Education Improvement, Learning & Skills	20 Dec 2018	Schools Panel

Budget	Economy & Strategy (Leader)	14 Feb 2019	Service Improvement & Finance Panel
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Comparison with previous years:



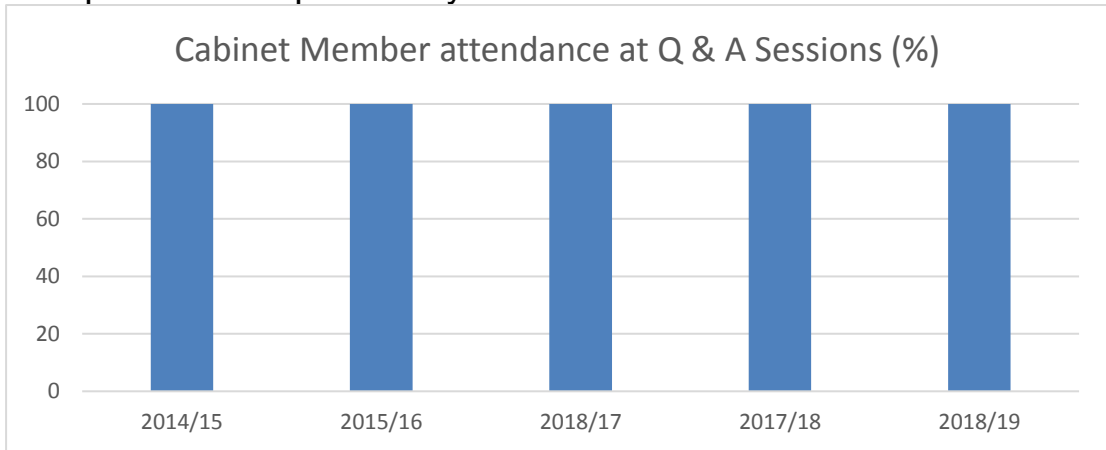
3.17 Number of Cabinet reports subject to Call-in = 1

During 2018-19 the Council agreed new call-in arrangements with scrutiny at the centre of the process. Any valid call-in of cabinet decisions leads to the calling of a special meeting of the Scrutiny Programme Committee. A call-in can be made by the Chair or Vice-Chair of the Scrutiny Programme Committee or by any four councillors by giving notice in writing to the Head of Democratic Services within a specific call-in period. With the increase in pre-decision scrutiny seen over the last few years a large number of call-ins are not anticipated. However, one cabinet report was subject to call-in over the past year, concerning cabinet decision on 21st Century Schools Programme - New Build For Gorseinon Primary School.

3.18 Cabinet members who attended at least one question and answer session at the Scrutiny Programme Committee – 100%

Cabinet members attend scrutiny meetings to answer questions and provide information. Cabinet attendance at scrutiny meetings is a good indicator that the 'holding to account' role of scrutiny is functioning well. In 2018/19 every Cabinet Member attended at least one question and answer session at the Scrutiny Programme Committee, enabling the committee to explore their work, looking at priorities, actions, achievements and impact. It ensures that scrutiny provides regular challenge to decision-makers.

Comparison with previous years:

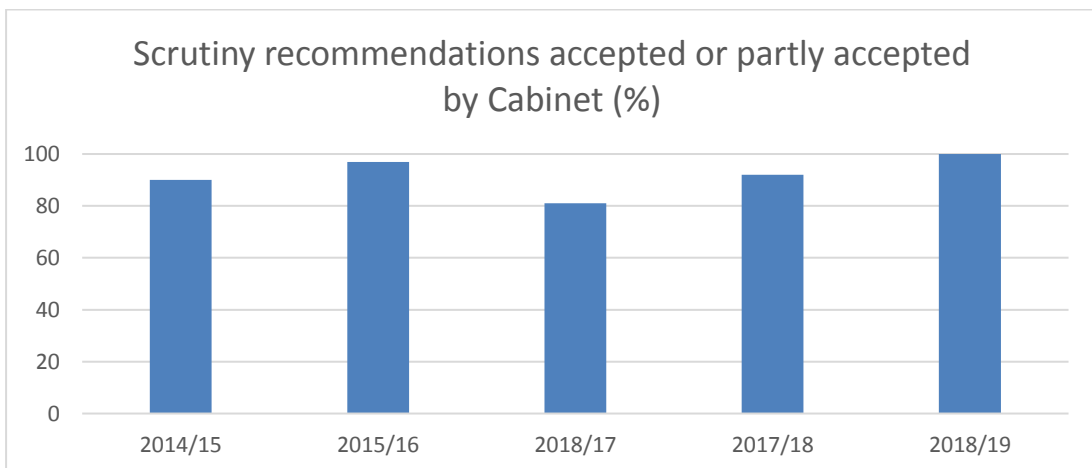


D. What were the outcomes of scrutiny?

3.19 Scrutiny recommendations accepted or partly accepted by Cabinet = 100%

The rate that cabinet accept scrutiny recommendations is a good indicator of whether scrutiny is making strong recommendations based on robust evidence. Cabinet responded to 11 scrutiny inquiry recommendations in 2018-19 which were all accepted.

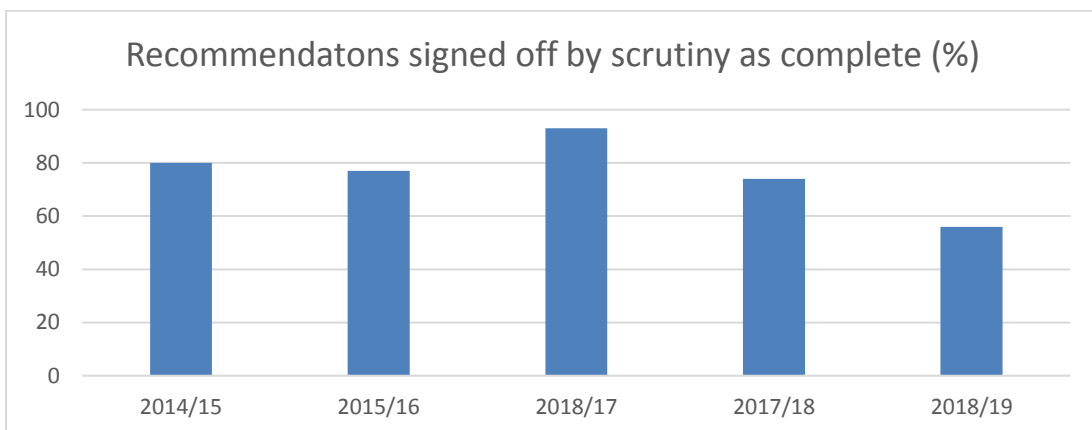
Comparison with previous years:



3.20 Recommendations signed off by scrutiny as completed = 56%

When follow up reports are presented to scrutiny (usually within 12 months following original cabinet decision) they detail which of the recommendations from the in depth inquiry (or other scrutiny report) have been completed in line with the cabinet member's action plan and which have not. In the case of in-depth inquiries scrutiny councillors consider whether they agree with the assessment about implementation of recommendations, taking into account the evidence they are presented with about the changes that have happened following scrutiny and its impact. This indicator represents the percentage of recommendations accepted by scrutiny as being completed for the year, and relates to the follow up of recommendation made by the Tackling Poverty Inquiry and Child & Adolescent Mental Health Services Inquiry (27 recommendations were considered of which 15 were considered as complete). In respect of the Child & Adolescent Mental Health Services although pleased with progress the Panel recognised that there is some way to go to implement all of the recommendations and achieving significant improvement. The Panel agreed to conclude formal monitoring however it was agreed that the Child & Family Services Scrutiny Performance Panel was best placed for continued monitoring of CAMHS.

Comparison with previous years:



4. Impact

4.1 How Scrutiny Councillors have made a difference

4.1.1 Scrutiny Councillors make a difference by:

- Ensuring that Cabinet Members (and other decision-makers) are held to account through public question and answer sessions
- Making evidence based proposals on topics of concern through task and finish Scrutiny Inquiry Panels that report to Cabinet
- Monitoring and challenging service performance and improvement through standing Scrutiny Performance Panels
- Addressing issues of concern through one off working groups
- Acting as a 'check' on the key decisions through pre-decision scrutiny and call-in
- Communicating concerns and proposals for improvement through regular publication of scrutiny letters and reports

4.1.2 The Scrutiny Programme Committee produced a quarterly summary of the headlines from the work of scrutiny for council and the public, which focussed on impact and how scrutiny is making a difference. The Chair of the Scrutiny Programme Committee reports the summary, known as Scrutiny Dispatches, to Council.

4.1.3 It is important to know that the work and the efforts of scrutiny councillors are having a positive impact and are delivering effective scrutiny. We make sure that the recommendations we make, in whatever scrutiny forum, are followed up to check on implementation and assess the impact of this work.

4.1.4 The difference made and impact of the overall work of scrutiny is also communicated via:

- press releases to the local media;
- regular posts to our Swansea Scrutiny blog;
- an email monthly subscription newsletter; and
- use of social media, including Twitter.

4.1.5 A selection of stories from the past year of scrutiny from Scrutiny Dispatches, which demonstrate the impact made, are **appended**. This includes reference to:

- **Developing Regional Working** (*Regional Working Inquiry*)
- **Promoting Community Cohesion** (*Community Cohesion Working Group*)
- **Tackling Poverty** (*Tackling Poverty Inquiry*)
- **Improving Scrutiny** (*Scrutiny Programme Committee*)
- **Helping to shape the Council's new Homelessness Strategy** (*Homelessness Working Group / Scrutiny Programme Committee*)
- **Reducing Air & Noise Pollution** (*Air & Noise Pollution Working Group*)
- **Improving Child & Adolescent Mental Health Services** (*Child & Adolescent Mental Health Services Inquiry*)
- **Maintaining & Enhancing Our Natural Environment** (*Natural Environment Scrutiny Inquiry*)
- **Improving Community Safety** (*Scrutiny Programme Committee*)
- **Dealing with Welfare Reform** (*Welfare Reform Working Group*)
- **Managing Environmental Enforcement** (*Environmental Enforcement Working Group*)

5. Feedback and Improvement

5.1 Improving Scrutiny

5.1.1 It is good practice for those involved in the scrutiny function to undertake regular self-evaluation of this work. Taking into account characteristics of effective scrutiny and experiences it is important for the continuous improvement of the function that any issues identified about current scrutiny practice are discussed and addressed. Annual review discussions are held within the Scrutiny Programme Committee and Scrutiny Performance Panels.

5.1.2 The Scrutiny Programme Committee attended an 'Improvement & Development' workshop in May 2018 as part of the process to identify improvement objectives for scrutiny for the year ahead. They reviewed findings from the Scrutiny Annual Survey carried out in early 2018 and in particular shared views on where things could be better, as well as reflecting on their own experience, and other feedback received throughout the year.

5.1.3 Members reflected positively on:

- Inquiry Panels – felt to be well supported and work well, allowing a lot of ground to be covered, with a high level of external / public engagement (leading to more vibrant scrutiny), and produces results
- Performance Panels – recognised as the bedrock of the scrutiny work programme, allowing time and space to explore performance in some detail
- The support provided by officers in the Scrutiny Team.

The Committee also agreed:

- Adjustment to the work programme to improve alignment with Council priorities / Corporate Plan and enable monitoring of the delivery of the Council's commitments around natural environment & biodiversity
- The Committee's Cabinet Member Q & A Sessions could be improved by focussing on a small number of key issues, rather than an overall look at portfolio responsibilities.

- Standing Performance Panels should be asked to appoint the convener, rather than be determined by the Scrutiny Programme Committee.
- Budget scrutiny remains an area for development

5.1.4 From the self-evaluation and reflection emerged a clear sense about what priorities for improving scrutiny should be. This related to: Councillor involvement in scrutiny; reports to cabinet and reporting arrangements, Cabinet engagement in scrutiny / tracking their response to scrutiny, visibility of impact, and public engagement.

5.2 Scrutiny Improvement Objectives

5.2.1 The following Improvement Objectives were subsequently agreed by the Scrutiny Programme Committee:

1. We need more of our work to be reported to Cabinet so that there is more formal consideration of scrutiny conclusions and recommendations.
2. We need to be involved at an earlier stage in proposed Cabinet decisions so that our input can be more meaningful.
3. We need to increase opportunities for participation so that more councillors can get involved in the work of scrutiny.
4. We need to strengthen follow up of all scrutiny recommendations so that the response and difference made can be assessed.
5. We need more coverage in the media so that people are more aware of our work

5.2.2 In order to address both Wales Audit Office Proposals for Improvement (issued in July 2018 following their review of our scrutiny arrangements), and specific issues identified by the scrutiny councillors, the Scrutiny Programme Committee reflected on priorities and agreed an action plan in January 2019 to help deliver the clear set of Scrutiny Improvement Objectives. This means having a co-ordinated and comprehensive single improvement plan for scrutiny, for the issues that matter most.

5.2.3 This has already resulted in improvements to the scrutiny process and its effectiveness, and efforts are being made in a number of areas to support councillors, take practice forward and improve the quality of scrutiny, for example:

1. Councillor Participation

Whilst there is a healthy level of engagement we want to ensure all scrutiny councillors have opportunity to participate so we are trying to understand whether there are any barriers to councillor participation in scrutiny and see what can be done to facilitate the engagement of those not actively involved. We recognise that councillors have a range of demands on their time and it may not be possible for all to be actively engaged, but it is important to remove any barriers that might exist.

2. Training & Development

We are considering what needs doing to develop scrutiny councillors in their role. We have already asked councillors to identify the areas where skills could be improved. The following areas could be usefully explored: Chairing Skills; Questioning Skills; Public Participation; Ad-hoc briefings to improve knowledge of Council services / working, as well as refresher session(s) on the Scrutiny Process. There may be other areas that need to be developed, such as understanding around the Well-being of Future Generations Act and how scrutiny can support its impact on local services, policies and decision-making. We will look at how best to develop and deliver a training & development programme for scrutiny councillors and it is work in progress for 2019/20.

3. Reporting to Cabinet

There are now more opportunities for scrutiny councillors to report their findings and recommendations directly to Cabinet. Whilst we have a well-established practice of writing letters to Cabinet Members, sometimes this work may merit formal reporting to Cabinet because of the issues that have been raised following scrutiny and / or implications across cabinet portfolios. This means that Scrutiny Working Groups and Scrutiny Performance Panels can consider whether reporting to Cabinet is necessary, for formal response.

4. Pre-decision Scrutiny

We have been calling for more time to consider proposed cabinet reports to enable the more meaningful involvement of scrutiny members in the decision-making process, as a 'critical friend'. Early sight to such reports will also enable more time for Cabinet to think about any issues and concerns that may be flagged up by scrutiny. When it sees each Cabinet Member, the Scrutiny Programme Committee encourages them to share information about future key

decisions that the Committee may want to discuss to challenge and inform decision-making. Cabinet Members are also encouraged to build in time for a 'scrutiny stage' as a sounding board for significant decisions at an early stage in the process. Scrutiny engagement with the Council's new Homelessness Strategy was a good example of early influence.

5. *Scrutiny Impact*

We have been increasing visibility of the impact of scrutiny through regular stories published via our Scrutiny Blog, Newsletter, and Dispatches, as well as in reports to the Scrutiny Programme Committee. We have also improved the Scrutiny Annual Report to reflect more about scrutiny activity and impact. Scrutiny Working Group recommendations are being monitored by the Scrutiny Programme Committee to assess impact / outcomes, with input from respective conveners, who themselves can act as rapporteurs and liaise informally with cabinet members and relevant officers to keep abreast of progress. However, we will try to do more to strengthen the evaluation of impact and outcomes of scrutiny activity. We will identify performance indicators and measureable outcomes relevant to topics for scrutiny that could help evidence change / difference following scrutiny. We will also develop mechanisms for feedback from Cabinet Members, Officers, and other stakeholders about impact e.g. post-meeting evaluation; via Annual Survey etc.

6. *Roles & Responsibilities*

We are mindful to ensure there are no issues of duplication between scrutiny and Policy Development Committee activity or negative impact on the role and work of scrutiny. There were no issues of overlap or adverse effect on scrutiny, and should any issues arise in the future these will be addressed through dialogue between the Chair of the Scrutiny Programme Committee and relevant Policy Development Committee Chair(s). We have made sure that the Chair of Scrutiny Programme Committee and Scrutiny Performance Panel Conveners are aware of Policy Development Committee agendas and work plans. The Committee already has a well-established relationship with the Audit Committee to ensure respective work plans are coordinated to avoid duplication or gaps.

7. Public Engagement

We are working more closely with the Council's Communications Team to identify opportunities to raise awareness and promote public engagement in scrutiny, and generate more media coverage of scrutiny activities. There is now more dialogue between teams about the work programme and upcoming meetings. Communications staff are signposted to scrutiny agendas / information to facilitate more about scrutiny being reported in the media and increase awareness / public engagement. Media coverage of scrutiny has increased significantly over the past year due to active local government press reporting, leading to stories in print and on-line media (South Wales Evening Post, Wales Online, and Western Mail). The Scrutiny Team continue to develop a social media presence including Swansea Scrutiny blog, Twitter, and there are plans to develop a Facebook page which may provide an effective way to promoting the role, activities, impact of scrutiny and enable interaction.

5.2.4 We will reflect on the delivery of the action plan and achievements against agreed improvement issues and objectives in next year's annual report.

5.3 Feedback from Scrutiny Performance Panels

5.3.1 Performance Panels each reflected on the year and amongst notable observations were the following:

a) Schools:

- Panel's work means being able to keep abreast of changes and challenges in relation to education matters.
- Pleased with scrutiny of individual schools and visiting some schools to see the work happening on the ground and speaking to headteachers, staff, governors and pupils.
- Officers have told us that performance scrutiny has been challenging but constructive, especially the searching questions that have been asked around vulnerable learners, and it benefits the education department. Topics discussed have helped develop these services, particularly work in relation to Education Other Than at School and the Small Schools Review.
- Some learning points identified:
 - Co-ordination around planning for future school visits and timing

- More context around some subjects being discussed would be helpful.

b) Adult Services

- Good level of quality in the debate and commitment from Panel Members. The Panel has been persistent and brought things out into the open.
- Good level of support from staff.
- There has been real challenge to Cabinet Members and officers from the Council and Local Health Board. The engagement of health officials with the Panel has managed to unblock some of the issues.
- There has been some progress in respect of changing thinking on budget
- Panel is developing a better understanding of performance data, which is now more focused and detailed.
- Some learning points identified:
 - Visiting social services establishments and engaging directly with service users / user groups about their experience will provide Panel with a better perspective on performance.
 - Need to review how best to examine performance of the West Glamorgan Regional Partnership Health & Social Care Programme.

c) Child & Family Services

- Good level of detail in performance reports.
- Panel is able to drill down into the detail and the officer contribution is very informative. Relationship with service officers good and very open.
- Debate has been good and happy with response Panel is getting from officers
- Pleased with officer support.

d) Development & Regeneration

- Pleased at the range of projects looked at by the Panel – will continue to have this variation in the coming year.
- The detail behind some projects is still opaque – Panel will continue to explore more throughout the coming year
- Some learning points identified:
 - More focus on the 'health' of the City Centre.

e) **Service Improvement & Finance**

- Panel happy with the mix of work this year, annual reports and one-off topics, with performance & financial monitoring the major role.
- Planning process is a topic of interest for the coming year

f) **Public Services Board**

- Good meetings particularly meeting with Future Generations Commissioner. Interactions with Future Generations Commissioner going very well.
- Some learning points identified:
 - More focus on direction of travel from each of the PSB objective areas needed, actions plans / delivery and clarity about outcomes

For further information:

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‘How scrutiny councillors are making a difference’

Developing regional working

(Lead: Councillor Lyndon Jones)

Work carried out by scrutiny councillors will help develop and improve the way the Council and partners work with each other across the region for the benefit of citizens.

An in-depth Scrutiny Inquiry into Regional Working published findings that were presented to Council in June. The report includes a view on the current picture, the national reform agenda, challenges to collaborative working, and arrangements for the accountability of regional working. Scrutiny Councillors held a number of evidence gathering sessions including discussion with different council departments and partners to discuss the experience of regional working activities that are taking place.

All 11 recommendations made by the cross-party Scrutiny Panel were agreed by Cabinet in August. This means action on the following:

- A review of governance arrangements of the three main regional partnerships (Education, through Regional Working, Western Bay Health & Social Care Programme; and Swansea Bay City Region) to ensure they are fit for purpose.
- The authority undertaking a lessons learnt exercise across the three main regional collaborations and develop an action plan/s with resource implications to address any specific and remaining barriers.
- An assessment of the value to the Council from being involved in existing or new partnerships, including an analysis of costs and benefits.
- Greater use of technology e.g. on-line meetings, amongst partners to reduce travelling and Councillor / officer time and further encourage participation in partnership working.
- More engagement of the third sector in existing partnerships.
- Pressure on Welsh Government for a more streamlined grant process to support regional working
- An annual report to Council on the progress made across main regional collaborations.

The Panel had particular concerns about the accountability to local councillors of some regional collaborations. They stressed the need for the big three partnerships to have clear accountability and scrutiny process built into their governance arrangements.

Councillor Lyndon Jones, convener of the Panel said:

‘We felt it was important to look at this issue because there was some concern about the transparency of current regional working and the extent to which the public understood such activities. We found regional working in Wales to be a complex and confusing picture. Regional working must have a real benefit for the people of Swansea and therefore needs to add value and not be seen as another layer of bureaucracy, and be accountable. We hope that this piece of scrutiny will go some way in helping Swansea map the way forward for its regional working activities.’

The Inquiry Panel will reconvene during 2019 in order to follow up on the implementation of recommendations and assess the impact of their work.

Promoting Community Cohesion

(Lead: Councillor Louise Gibbard)

Scrutiny has been myth busting whilst looking at what the Council is doing to support and promote community cohesion.

Having already looked at efforts to tackle hate crime in the area last year a Scrutiny Working Group met in June to focus on this issue, and spoke with representatives from the Councils Poverty and Prevention Team, South Wales Police and the Regional Community Cohesion Coordinator.

The Working Group considered progress and wrote to the Cabinet Member for Better Communities (People), Councillor Mary Sherwood, highlighting a number of issues and suggested areas for improvement. One of these was around myth busting. Councillors found that there is good [myth busting information](#) available but felt that it needed to be shared/used more widely.

Having now received a response from the Cabinet Member this piece of scrutiny is leading to action on:

- Developing a stronger role for Councillors and Local Area Co-ordinators in mainstreaming community cohesion.
- Myth busting information being made available online and shared via social media.
- Better links with and information to Governing Bodies, so they can have a direct impact on community cohesion in Swansea schools.
- Making more use of local media including using corporate communications to get more good news stories and myth busting out into local community.

Tackling Poverty

(Lead: Councillor Sybil Crouch)

Scrutiny heard about the impact it has made in tackling poverty, following an in-depth inquiry carried out in 2017.

The Panel of Councillors which carried out the scrutiny met in October to follow up on the implementation of inquiry recommendations and assess the difference made. The inquiry had focused on ways in which the Council could improve its Tackling Poverty Strategy. Their main conclusion was that, when developing and delivering a strategy it is vital that those people experiencing poverty were not only involved, but involved in a powerful and meaningful way.

The Panel recently heard that the inquiry and its recommendations:

- has supported raising the profile of the tackling poverty agenda as everyone's business, and improved understanding and awareness
- has provided the role of a critical friend, supporting and reaffirming the direction of travel that the development of the revised Tackling Poverty Strategy took
- engaged a number of partners and organisations including The Bevan Foundation, Joseph Rowntree Foundation and Leeds Truth Commission, whose input has proved useful in the development of the revised plan

The Panel Convener, Councillor Sybil Crouch, said about the original inquiry that: 'Tackling Poverty is key to delivering the health and well-being of our citizens and of our city. We heard powerful testimony from people experiencing poverty and I am especially grateful to them for taking time to tell us what they face on a daily basis. I was moved by their testimony and by their courage in the face of complex problems. The Tackling Poverty Strategy lays considerable emphasis on the need to involve people experiencing poverty, without whom there is no delivery'.

Scrutiny – fit for the future?

(Lead: Councillor Mary Jones)

Our scrutiny arrangements have received positive feedback from Wales Audit Office (WAO).

Following an external audit to assess whether scrutiny was fit for the future the review praised a number of aspects of scrutiny practice in Swansea. The WAO report recognised that scrutiny is well-placed to respond to future challenges, regularly challenges decision-makers, and has arrangements to review its own effectiveness. Whilst there is much to be pleased about the report also makes a number of proposals for improvement to develop scrutiny further. This challenges us to think about development needs for scrutiny councillors, the relationship between scrutiny and the Council's Policy Development Committees, and how we can better demonstrate the impact and outcomes of scrutiny.

Councillor Mary Jones, Chair of the Scrutiny Programme Committee said: 'We welcome the auditor's assessment of scrutiny in Swansea. Overall it is a positive report and this is down to the hard work everyone in Swansea has put into developing scrutiny over many years. But it is also a reminder that we must keep on pushing and continue to develop. We will be preparing an action plan to address the proposal for improvement.'

The Wales Audit Office published its findings having conducted a review of scrutiny in all Welsh Councils, looking at the environment scrutiny is operating in, practice, and its effectiveness. As well as desktop research, the WAO held a number of focus groups with Councillors here, interviewed key officers, and observed meetings.

Chair's Roundup:

This is my first quarterly roundup of the work of scrutiny for 2018/19, as Chair of the Scrutiny Programme Committee.

Priorities for 2018/19

The Scrutiny Work Programme was agreed by the Committee in July, following a Work Planning Conference in June. Every year we invite all scrutiny councillors to participate in an informal discussion on priorities for scrutiny, and invite suggestions. The Conference reflected on last year's programme, and heard about council priorities and challenges, and views gathered from surveys, including issues raised by the public. The Work Programme contains a varied selection of topics that show the focus for scrutiny over the coming year. It represents strategic issues balanced with community concerns to ensure that scrutiny is always looking at the right things, and making good use of limited time and resources. A significant feature of the Work Programme is regular in-depth monitoring and challenge of performance in key areas, including Education and Social Services, through a number of Performance Panels. However we also identify topics either for in-depth Inquiry or light-touch Working Groups. The first inquiry will look at Equality issues and a 'call for evidence' has just been issued by the Inquiry Panel. This invites interested people to submit views that will help the Panel to explore how effectively the Council is meeting and embedding requirements under the law. This inquiry will go on until March 2019. The already in progress inquiry on the Natural Environment is coming to a conclusion and will report before the end of 2018. In terms of one-off Working Groups, this will include a look at Air & Noise Pollution, Residents Parking, Welfare Reform, Environmental Enforcement, Tourism, Anti-Social Behaviour, Digital Inclusion and the Archive Service.

Annual Report published

Looking back at 2017/18 the Scrutiny Annual Report was presented to Council (Oct). It highlights the work carried out, shows how scrutiny has made a difference, and supports continuous improvement for the scrutiny function. It gives examples of specific activities to demonstrate impact, and show our contribution to better services, policies and decisions. I think it gives good indication about the 'health' of scrutiny – using facts and opinions – and there is much to be pleased about.

Improving scrutiny

One of the hallmarks of an effective scrutiny function is one that reflects on and learns from experience. Following a process of self-evaluation the Committee has identified five scrutiny improvement objectives. This was informed by annual councillor, staff, and public scrutiny survey findings as well as Committee members' reflection on scrutiny process and practice, taking into account characteristics of effective scrutiny. An action plan to address the WAO proposals and deliver the Committee's own improvement objectives is being developed.

Questioning Cabinet Members

The Committee continues to focus on holding cabinet members to account, through monthly Q & A sessions to discuss their work. As I write we are due to meet with the Cabinet Member for Care, Health & Ageing Well in December. Acting as a 'critical friend' we question and challenge them on their priorities, actions, achievements and impact. We invite the public and all scrutiny councillors to contribute ideas to ensure the Committee asks the right questions. A summary of each session and views of the Committee are published in a letter to relevant Cabinet Members. We have recently put questions to the Cabinet Members for Children Services, Education Improvement, Learning & Skills, Business Transformation & Performance, and Homes & Energy.

Challenging proposed decisions

Pre-decision scrutiny enables us to question Cabinet Members on proposals and present views and any concerns to Cabinet ahead of decisions. Since May scrutiny has looked at reports on: More Homes Parc Yr Helyg Site Options Appraisal (Jun); The Future Structure and Delivery of the Ethnic Minority Achievement Unit (Jul); and the future of Residential Care & Day Services for Older People (Sep). The Committee has also given views on the draft Homelessness Strategy 2018-2022 ahead of formal pre-decision scrutiny that will take place in November.

Calling-in decisions

Scrutiny has the power to call-in Cabinet decisions following the agreement of new arrangements by Council in July. Any valid call-in of cabinet decisions will now lead to the calling of a special meeting of the Scrutiny Programme Committee. A call-in can be made by the Chair or Vice-Chair of the Scrutiny Programme or by any four councillors by giving notice in writing to the Head of Democratic Services within a specific call-in period.

Scrutinizing the City Deal

A new Joint Scrutiny Committee has been established to provide accountability and challenge to the agreed Swansea Bay City Deal. Swansea councillors will work with councillors from Pembrokeshire, Carmarthenshire and Neath Port Talbot Councils, also involved in the City Deal, who together will scrutinise the work and decisions of the Joint Committee responsible for delivering the regional City Deal Programme. Scrutiny of local City Deal projects remain a matter for each authority so our Development & Regeneration Performance Panel will be keeping a close eye on work happening in Swansea.

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Councillor Mary Jones

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‘How scrutiny councillors are making a difference’

Helping to Shape the Council’s new Homelessness Strategy

(Lead: Councillors Peter Black / Mary Jones)

Scrutiny Councillors have contributed to the Council’s new Homelessness Strategy.

Homelessness has been a topic of significant interest and concern over the last year for scrutiny. Scrutiny councillors were able to influence the Homelessness Strategy and Action Plan for 2018-2022 through a series of meetings to discuss the issues, challenges, and plans. The Strategy, approved by Cabinet in November, took on board issues and suggestions made by scrutiny councillors. Scrutiny contributed initially through a cross-party Working Group, chaired by Councillor Peter Black, mid-2018 to look at the Council’s activities to manage homelessness, the current position, performance of relevant services and the challenges faced. This work benefitted from the involvement of a number of interested parties including: Swansea Homeless Sanctuary, Shelter Cymru, Crisis, Wallich Dinas Fechan, Caer Las, Zac’s Place, Matthew’s House, Abertawe Bro Morgannwg University Health Board and the relevant Cabinet Member and officers from Swansea Council. This led to a number of issues being raised with Councillor Andrea Lewis, Cabinet Member for Homes & Energy.

The Scrutiny Programme Committee, chaired by Councillor Mary Jones, which oversees the Scrutiny Work Programme, then met early October to review a consultation draft of the Strategy and Action Plan to ensure that its views can be fully considered in drawing up the final document. This led to a detailed consultation response being submitted to the Cabinet Member including views including around:

- Service user involvement and co-production
- The development of pre- eviction protocols
- Use of the private rented sector / loss of rented accommodation
- Working with Registered Social Landlords to alleviate homelessness
- Barriers to accessing temporary accommodation
- Proposals / timescales for increased support for people with mental health / complex needs
- Plans for a holistic “solutions centre” for services for rough sleepers
- Support to children affected by parental homelessness
- Monitoring, evaluation and review of success / impact of the Strategy

The Committee also carried out ‘pre- decision scrutiny’ in November which enabled it to review the contents of the final Strategy and Action Plan ahead of Cabinet decision. Councillor Mary Jones said ‘I am pleased to see our impact on the final document, and shows the value of the early engagement of scrutiny in such important decisions. We particularly welcomed:

- Recognition of the United Nations Convention on the Rights of the Child and children’s voice, and plan to develop a separate Homelessness Charter for children and young people
- The revision of timescales for the development of a holistic ‘solutions centre’ and clarity about what will be achieved e.g. the feasibility study will be carried out within a period of six months
- That there will be an annual progress report on the delivery of the Strategy and Action Plan.’

The contribution made by scrutiny to improve the Strategy and Action Plan, which saw amendments being made to the consultation draft, was praised by the Cabinet Member for Homes & Energy, ahead of its approval by Cabinet on 15 November.

Reducing Air & Noise Pollution

(Lead: Councillor Joe Hale)

Scrutiny councillors have had their say about air and noise pollution in Swansea.

A Working Group has looked at the situation in Swansea and the effects, how pollution is measured and monitored, and efforts to tackle problems and reduce pollution. As a result of their views and issues raised with Councillor Mark Thomas, Cabinet Member for Environment and Infrastructure Management, action will include:

- Working with academic and health colleagues to complete specific air quality research projects aimed at engaging members of the public and achieving compliance with objective concentrations and reducing exposure to pollutants.
- Continued assessment of The Out of Hours Noise Control Service to seek efficiencies during times of austerity to enable continued delivery of this service.
- Looking at ways to reinvigorate the presentation of data on the Councils air pollution webpages and working with ICT service to redesign the site in order to engage the public in its content, including integrating the Nowcaster System within the site.
- The Air Quality Action Plan investigating pollution around schools and behaviour of parents when bringing their children to school to enable behavioural change and the reduction in pollutant concentrations.
- Working with colleagues in the School of Management and Life Science in Swansea University to investigate several themes around air quality and public health.

The views of the Working Group, which met in November 2018, and Cabinet Member response can be read in full here:

<https://democracy.swansea.gov.uk/ieListDocuments.aspx?CId=647&MId=8323&Ver=4&LLL=0>

Improving Child & Adolescent Mental Health Services

(Lead: Councillor Mary Jones)

Scrutiny councillors have made a positive impact in efforts to improve Child & Adolescent Mental Health Services (CAMHS).

Following an in-depth inquiry carried out in 2017, councillors involved in this work met in November 2018 to follow up on the implementation of inquiry recommendations and assess the difference made. The Inquiry Panel was pleased to hear about a greater focus on prevention, better joint working between local authorities and the ABMU Health Board and improved response to urgent cases. They also welcomed changes to some of ABMU's commissioning arrangements, simplified processes to access the service, and the greater involvement of parents and Third Sector representatives.

A number of people addressed the Panel on progress, including the Cabinet Member for Children Services (Early Years), Director of Social Services, Head of Child & Family Services, and representatives from the Local Health Board.

The Cabinet Member for Early Years has recognised the contribution made by the scrutiny inquiry in highlighting the issues and in the progress made to improve services.

Although pleased with progress the Panel recognised that there is a long way to go to implement all of the recommendations and achieving significant improvement. The Panel agreed that the Child & Family Services Scrutiny Performance Panel was best placed for continued monitoring of CAMHS. Read more here:

<https://democracy.swansea.gov.uk/ieListDocuments.aspx?CId=598&MId=8389&Ver=4&LLL=0>

Supporting the Natural Environment & Biodiversity

(Lead: Councillor Peter Jones)

The call from scrutiny councillors for the Council to give priority to the Natural Environment & Biodiversity has been answered.

The Council has recently adopted a sixth, and new, priority: Maintaining and enhancing Swansea's natural resources and biodiversity - so that we maintain and enhance biodiversity, reduce our carbon footprint, improve our knowledge and understanding of our natural environment and benefit health and well-being. Over the past year a Scrutiny Inquiry has been looking at what the Council should be doing to maintain, enhance and promote its natural environment and biodiversity, and in doing so promote the resilience of eco-systems. The Inquiry Panel will be publishing its final report shortly - more on that in the next edition. Both before and during this piece of in-depth scrutiny, which has shone a light on this topic, repeated calls (in different forums) were made for the Council to recognise the growing importance of the natural environment and biodiversity on well-being and future generations, something already recognised by the Public Services Board in its Well-being Plan and 'Working with Nature' objective. Councillor Peter Jones, convener of the Natural Environment Inquiry Panel, said: 'This is a scrutiny success - something we raised over a year ago. The decision by the Council is not only welcome but overdue, and supports our findings. Indeed the action taken pre-empts one of the recommendations that the Panel would certainly have made. I look forward to presenting the Panel's final report to Cabinet in the knowledge that the natural environment and biodiversity is now looked upon as a key priority, and our scrutiny report will offer our thoughts about how this priority can be delivered.'

Chair's Roundup:

This is my second roundup of the work of [scrutiny](#) for 2018/19, as Chair of the Scrutiny Programme Committee.

Progressing our priorities for 2018/19

We have made good progress over the year so far. The work programme is dominated by our six Performance Panels, which meet on an ongoing and regular basis. This has ensured continued focus on in-depth monitoring performance and challenge concerning Adult Services, Child & Family Services, Schools, the Public Services Board, and Development & Regeneration. The Service Improvement & Finance Panel keeps an eye on performance & spending across the Council. We have two in-depth inquiries in progress. Our examination of the Natural Environment is almost complete and a final report, with conclusions and recommendations for Cabinet, will be presented soon. The inquiry into Equalities is currently evidence gathering, looking at how effectively the Council is meeting and embedding requirements under the law. Both of these inquiries have generated public interest, and it is pleasing that a number of people have responded to the 'call for evidence' and taken the opportunity to submit their views. Each Panel has also been proactive in seeking evidence from a wide range of sources, including people and groups involved or affected. We have arrangements in place to check on implementation of previous inquiry recommendations and assess the impact of our work. Because of good progress Councillors were able to conclude monitoring of the inquiries on Tackling Poverty and Child & Adolescent Mental Health Services. We also arrange Working Groups for a 'light-touch' look at issues and this has enabled scrutiny to look at, and make improvement recommendations, on the following: Hate Crime, Homelessness, Local Flood Risk Management, Air & Noise Pollution, Welfare Reform, and Environmental Enforcement.

Getting praise from inspectors

Recent reports by the Care Inspectorate Wales (CIW) have praised the work of scrutiny. The Council's Child & Family Services and Foster Swansea Service were the subject of external inspections, which have identified good practice with positive outcomes for children and young people. As well as positive findings about the service provided, the inspectors commented that there are robust scrutiny arrangements in place for accountability and challenge in these areas.

Improving scrutiny

I wrote previously about the process of improvement and development, with challenge provided by the Wales Audit Office (WAO) and the Committee identifying five scrutiny improvement objectives. I am happy to say that we have now agreed a Scrutiny Improvement Action Plan to address the WAO proposals for improvement and deliver our own objectives. This means action on: meeting development needs for scrutiny councillors; the relationship between scrutiny and the Council's Policy Development Committees; and better demonstrating the impact and outcomes of scrutiny. It also means a focus on getting more of our work formally reported to cabinet, earlier involvement in cabinet decision-making, improving councillor participation in scrutiny, strengthening the follow-up of recommendations, and getting more of our work in the media to raise awareness and public engagement in scrutiny. The Committee has previously identified the need to develop closer links with regulators and inspectors so that we can provide a more coordinated and effective challenge. The Scrutiny Work Programme will also now include consideration of relevant WAO reports. Scrutiny will expect assurance from Council leads about their response to WAO reports and provide challenge to monitor and ensure improvement.

Questioning Cabinet Members

The Committee continues to focus on holding cabinet members to account, through monthly Q & A sessions to discuss their work. Acting as a 'critical friend' we question and challenge them on their priorities, actions, achievements and impact. As I write we are due to meet with the Cabinet Member for Investment, Regeneration & Tourism in March. We invite the public and all scrutiny councillors to contribute ideas to ensure the Committee asks the right questions. A summary of each session and views of the Committee are published in a letter to relevant Cabinet Members. We have recently put questions to the Cabinet Members for Care, Health & Ageing Well, Economy & Strategy (Leader), and Environment & Infrastructure Management.

Challenging proposed decisions

Pre-decision scrutiny enables us to question Cabinet Members on proposals and present views and any concerns to Cabinet ahead of decisions. Since September scrutiny has looked at reports on: Homelessness Strategy & Action Plan 2018-2022 (Nov); Swansea Central Phase 1 (Nov); proposed closure of Craigcefnparc School - report on Small School Review (Dec); and YGG Felindre - report on School Organisation Linked to the Welsh Education Strategic Plan (Dec).

Developing regional scrutiny

The regional Scrutiny Councillor Group continues to meet to consider progress with school improvement across the ERW (Education Through Regional Working) region. In January the Group met with the Chair of the ERW Joint Committee, Lead Chief Executive, and Lead Officer for ERW concerning the ERW Review and Reform Programme. Also, the new Joint Scrutiny Committee looking at the Swansea Bay City Deal Programme met for the first time on 20 November. The Chair and Vice-Chair of the Committee were confirmed as: Councillor Arwyn Woolcock (Neath Port Talbot) and Councillor Rob James (Carmarthenshire) respectively, for a two year period. The Committee held an extra meeting on 31 January for update on internal and external reviews of the City Deal Programme, and recent developments.

Making the work of scrutiny transparent and accessible

Scrutiny agenda packs are available on the Council's ['agenda and minutes' webpage](#). There you can also find scrutiny letters sent to cabinet members following meetings and responses. Our meetings are open to the public and anyone living or working in Swansea can [suggest a topic for scrutiny](#). There are also opportunities to suggest questions, and submit views. To keep an eye on what's going see the links below, subscribe to our newsletter, or even follow us on Twitter.

Councillor Mary Jones

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‘How scrutiny councillors are making a difference’

Maintaining & Enhancing Our Natural Environment

(Lead: Councillor Peter Jones)

Scrutiny councillors have told the Council what it should be doing to maintain, enhance and promote its natural environment and biodiversity, and in doing so promote the resilience of eco-systems.

An in-depth Scrutiny Inquiry into the Natural Environment published findings in a report that was presented to the Cabinet meeting on 21 March. The Inquiry Panel, led by Councillor Peter Jones, spent much of the last year looking at this topic. It took in a range of perspectives, from both within the Council, from partners and the public, and the report makes twenty recommendations for Cabinet to respond to, on an issue that is now a matter of priority for the Council.

The report includes a view on how this priority can be delivered effectively. It recognises that the Council is one of the leading public authorities in Wales in thinking through and exploring how best to deliver on the Welsh Government environmental and sustainability legislation. However, the task is to meet expectations and to deliver on and embed requirements, and the inquiry report serves as a contribution to that effort.

Some of the recommendations have been identified by the cross-party Inquiry Panel as ‘quick wins’, other as more medium and long-term actions, touching upon all areas of the Council’s work. This includes calling for action on:

- Raising the profile of the Natural Environment and Biodiversity internally and externally.
- Maintaining and increasing the specialist and high quality work currently delivered by the Council.
- Recognising the benefits of ‘nature based’ prevention projects, such as to limit air pollution and for flood risk management etc.
- Cost sharing across the Council in providing additional resources to maintain and enhance the natural environment, and more cross-departmental working
- The authority working co-productively with external partners, including voluntary groups, Community Councils and the public in maintaining and enhancing the Council’s green spaces.
- Making a commitment to natural environment education in schools.

Councillor Peter Jones, convener of the Panel said:

‘This work has been an extensive undertaking. We found that a lot of positive action was evident but it is clear that there was much to be done. This report concentrates on biodiversity loss and how we, as a Council, can and must set about halting and reversing this process, not least to meet the 2020 target set by the Welsh Government which aims to halt the loss of biodiversity and take steps toward recovery. However, the Panel is clear that delivery will be difficult without financial support to meet, in particular, additional staffing requirements.’

The final report can be found [here](#).

A decision on the inquiry recommendations is expected within the next two months – more on that in the next edition.

Improving Community Safety

(Lead: Councillor Mary Jones)

Scrutiny councillors have shone a light on the community safety issues facing Swansea and actions to tackle these.

The performance of the local Community Safety Partnership is looked at each year as part of the scrutiny work programme – in Swansea this is known as the Safer Swansea Partnership. In April, the Scrutiny Programme Committee met with representative(s) from South Wales Police and the Council who are involved in the joint-chairing arrangement for the Safer Swansea Partnership Steering Group.

The vision of the Safer Swansea Partnership is ‘a place where all members of society can feel safe at all times’, and its key purpose being ‘to create a safe and welcoming environment in which to live, work, visit, trade, study, relax and retire’. A discussion about the performance of the Safer Swansea Partnership, looking at partnership priorities, actions, and impact, highlighted the achievements against objectives and crime and disorder challenges, covering the following:

- Safe, Confident and Resilient Communities
- County Lines and Substance Misuse
- Violence against Women, Domestic Abuse and Sexual Violence
- Hate Crime and Community Tension Monitoring
- Evening and Night Time Economy

The scrutiny session generated much media interest, with a number of stories in the local press, in particular around tackling issues relating to High Street and its regeneration. The session also has contributed to a public conversation about crime recorded in Swansea, with performance and crime statistics from the past two years being revealed – showing challenges around drug trafficking and substance misuse, organised crime, robberies, and sexual offences. Councillors also raised some concerns around the visibility of policing, limited powers of PCSOs, the 101 telephone reporting system, and the effectiveness of existing approaches to community engagement, and the level of engagement and information sharing with local Councillors.

Dealing with Welfare Reform

(Lead: Councillor Louise Gibbard)

Scrutiny councillors have made recommendations to help manage the impact of welfare reform on people in Swansea.

A cross-party Scrutiny Working Group met in January to look at the impacts of Welfare Reform in Swansea and works / measures in place to support citizens and mitigate problems. The one-off focused meeting also received evidence from Citizen’s Advice Swansea Neath Port Talbot, in respect of queries handled by them during the 12 months since the roll out of Universal Credit (UC) in Swansea.

As a result of this scrutiny action is expected, including:

- talking to local Department for Work & Pensions partners about UC processes
- rolling out quick reference resources which councillors could use when supporting someone with money worries
- developing an online benefits awareness course, mandatory for all staff in the Council

Further scrutiny may result from this work, looking into how well welfare rights support and advice, and commitment to tackling poverty is being delivered across the Council e.g. by staff working in Social Services, Housing and by others in direct contact with vulnerable people.

Managing Environmental Enforcement

(Lead: Councillor Jeff Jones)

Scrutiny Councillors have asked questions about what is being done in relation to the enforcement and prevention of a range of environmental issues, concerns about which are regularly raised by the public.

A one-off Working Group took place in February to discuss the work of the Council and issues such as fly tipping, dog fouling, litter, pavement parking, overhanging branches and undergrowth, public footpaths and highways etc. Councillors met with the Cabinet Member for Environment & Infrastructure Management and relevant officers, who provided the Working Group with a briefing on this topic on activities to improve the local environment. It was recognised that this was a challenging area for the Council, with enforcement action being the final step.

Following this scrutiny activity, the Cabinet Member confirms actions will be taken, including around:

- raising public awareness about the cost of fly tipping to the Council, publicising fly tipping prosecutions and highlighting successes
- improving public information about disposal of dog waste
- developing a policy for the enforcement of verge and pavement parking
- providing information around the enforcement contract with 3GS and its focus, for possible review

More details about the discussion, and correspondence between the Working Group and Cabinet Member following the meeting, can be found [here](#).

Chair's Roundup:

This is my third roundup of the work of [scrutiny](#) for 2018/19, as Chair of the Scrutiny Programme Committee.

Delivering the priorities for 2018/19

We have approached the end of another year of scrutiny and again delivered a range of scrutiny activities targeted at the things that matter most, through the work of the Committee, in-depth inquiry, ongoing detailed performance and financial monitoring, and one-off Working Groups.

The Natural Environment Inquiry came to an end in March, as reported in the main feature of this paper. With evidence gathering complete, the Inquiry into Equalities is about to conclude. The Inquiry Panel is reflecting on the findings, and will draw conclusions and recommendations. This piece of scrutiny has been looking at how effectively the Council is meeting and embedding equality requirements under the law. It has included councillors undertaking a number of informal evidence gathering activities including engagement with a range of groups / networks who represent people with protected characteristics.

Each of the Performance Panels played a part in scrutinizing the draft Council budget in February. Their examination of service specific proposals and implications supported the work of the Service Improvement & Finance Performance Panel, which plays the lead role in financial monitoring. Feedback was provided to Cabinet ahead of Cabinet decision-making and scrutiny helped to prepare councillors for the budget debate at Council.

Since I wrote to Council previously we have also been able, through Working Groups, to look at, and make improvement recommendations, on the Council's work regarding Local Flood Risk Management, Anti-Social Behaviour, and Tourism.

Questioning Cabinet Members

The Committee continues to focus on holding all cabinet members to account, through monthly Q & A sessions to discuss their work. Acting as a 'critical friend' we question and challenge them on their priorities, actions, achievements and impact. As I write we are due to meet with the Cabinet Members for Delivery, and Investment, Regeneration & Tourism in May. We invite the public and all scrutiny councillors to contribute ideas to ensure the Committee asks the right questions. We have recently put questions to the Cabinet Members for Better Communities, Councillors June Burtonshaw and Mary Sherwood. A summary of each session and views of the Committee are published in a letter to relevant Cabinet Members.

Challenging decisions

Following the agreement of new arrangements by Council the first scrutiny call-in of a Cabinet decision took place in March. Any valid call-in of cabinet decisions leads to the calling of a meeting of the Committee. The Cabinet report on the New Build for Gorseinon Primary School was called in and the Committee was able to question the Cabinet Member for Education Improvement, Learning & Skills and lead officers who responded to satisfy the concerns raised.

Supporting Joint Scrutiny

With scrutiny of the City Region City Deal and regional Education Improvement body (ERW) already in place, and the possible development of further regional scrutiny arrangements, we welcome the launch of a new Joint Scrutiny Handbook in June. I will be attending the national launch that will be led by the Welsh Government Minister for Housing and Local Government, on 17 June in mid-Wales. We look forward to the advice and guidance that the handbook will provide to support and strengthen the development of collaborative scrutiny in Wales.

End of Year Review

At the end of each year it is good practice to look back on the year's work and achievements, and consider its effectiveness. All councillors were invited to give their views and along with feedback from an informal workshop in early May to help members to reflect and discuss issues, the Committee reviewed the year's work at its meeting on 13 May. Alongside this reflection and self-evaluation by scrutiny councillors, Scrutiny Procedure Rules are being reviewed by the Head of Service to ensure they are not only up-to-date, but provide the best reflection of scrutiny practice / process, and take into account any issues raised by councillors.

Developing a new work programme

A Work Planning Conference will take place on 10 June (in place of the scheduled Committee meeting) that will help the Committee to consider and identify priorities for scrutiny for the coming year. All scrutiny councillors will be invited to participate in this. As well as new topics the Committee will need to consider the continuation of current activities in the Work Programme for 2019/20 because of their importance or because work may be incomplete. Following the Work Planning Conference, the Scrutiny Programme Committee will meet on 8 July to reflect on feedback from the Conference, and other relevant considerations, and agree the work programme for 2019/20. We look forward to a new year of scrutiny, and making an even bigger difference!

Making the work of scrutiny transparent and accessible

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Report of the Section 151 Officer

Council – 24 October 2019

Review of Revenue Reserves

Purpose:	To undertake a mid-year review of the Revenue Reserves position and to agree any suggested reclassification of reserves based on current requirements.
Policy Framework:	Sustainable Swansea Budget Plan 2019/20
Consultation:	Cabinet Members, Corporate Management Team, Legal and Access to Services.
Recommendation(s):	It is recommended that: 1) The recommendations made in this report at Sections 3.11 and 3.12 are considered and approved.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Introduction and Context

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

- 1.3. In terms of guidance on the review and management of reserves, the Chartered Institute of Public Finance and Accountancy (CIPFA), via the Local Authority Accounting Panel, issued a bulletin in July 2014 (LAAP 99) intended to give guidance to Local Authorities on the management and review of reserves. This bulletin is considered best practice in terms of Local Authority financial administration and effectively must be followed. A copy of the bulletin is at Appendix 1 to this report.
- 1.4. Within the existing statutory and regulatory framework, it is the responsibility of Chief Financial Officers to advise Local Authorities about the level of reserves that should be held and to ensure there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
- 1.5. It is the duty of the Chief Financial Officer to specifically report on the robustness of estimates and reserves when the Council considers its budget requirement, as such the Revenue Budget approved by Council in February 2019 made specific references to the adequacy of reserves at that time.
- 1.6. Notwithstanding that specific statutory requirement, it is the duty of the Chief Finance Officer to regularly review the position regarding available reserves of the Authority having specific regard to:
 - The original and current need for each category of reserve held
 - An assessment of current and future risks (both operationally and financially) facing the Council
 - The impact of known and predicted funding levels likely to impact on the Council going forward.
- 1.7. Swansea Council's Chief Finance Officer is the Section 151 Officer and Chief Finance Officer.
- 1.8. This report considers the position regarding both General and Earmarked reserves as at 31st March 2019 and makes specific recommendations in respect of reclassification of elements of those specific reserves.

2. Position as at 31st March 2019

- 2.1. The Statement of Accounts 2018/19 presented to our external Auditors included the following entries in respect of reserves as at 31st March 2019:

Usable Reserves	£'000	Purpose
General Fund	9,352	Used as an overall contingency to cushion the impact of unexpected events or emergencies and as a means of smoothing out annual budgets where there is significant change
Earmarked Revenue Reserves	67,670	Consisting of sums set aside for specific purposes to support Corporate and Service needs
Capital Receipts	9,310	Capital monies received by the Council

Reserve		set aside for funding ongoing Capital schemes per the Capital Programme. These sums are committed to current schemes and cannot be used to support Revenue expenditure
Capital Grants Unapplied Account	15,455	Relates to committed funding on Capital schemes and cannot be used to support Revenue expenditure
Housing Revenue Account	6,156	Exists to support expenditure for Housing Revenue Account purposes only and cannot be used to support General Fund Council Revenue or Capital expenditure
Total Usable Reserves	107,943	

- 2.2. Useable reserves are cash-backed and can be used to support expenditure – albeit occasionally with some specific rules around the type of expenditure that they can be used for. For example the Housing Revenue Account Reserve has been created from rents received, it is a cash reserve, however it is ring-fenced for use within the Housing Revenue Account only; it can only be spent on items relating to Council Housing.
- 2.3. In addition the Council holds a net £135.137m in unusable reserves arising purely from accounting technicalities (this includes capital financing and pensions liabilities). These reserves are not cash-backed and therefore cannot be spent, they tend to arise from entries that have to be made for accounting purposes, but which are not permitted to affect the taxpayer. **These cannot be used to support revenue or capital expenditure of the Council in any form and as such are not part of this review.**
- 2.4. The HRA reserve and the Capital reserves detailed above are ring-fenced and are regularly reviewed as part of business planning. As such they are provided for general information only, no further review is proposed at this time.
- 2.5. The General Fund Balance of the Council as detailed above takes account of decisions made by Cabinet based on the 2018/19 Revenue Outturn position considered on 18th July 2019.
- 2.6. Comparisons with other Welsh Councils show that, as a percentage of Gross Revenue Expenditure, the level of the General Fund reserve is below the All Wales average (as at 31st March 2018) and as such no planned use of the balance is recommended. Indeed the view of the Section 151 Officer is that, should the opportunity arise, consideration should be given to increasing the level of the General Fund Reserve as this is deemed to be low both in absolute and proportionate terms both historically and compared to all other Councils in Wales. For Members to achieve that aim, whilst trying to maintain

services in the face of continued austerity and significant budgetary constraint is accepted by the Section 151 to be exceptionally equally difficult to consider.

2.7. The Statement of Accounts as agreed by our external Auditors (Wales Audit Office) and presented to Council on 29th August 2019 included an analysis of earmarked reserves with the proviso that each reserve was subject to strategic review by the Section 151 Officer based on an analysis of current need and changing Council risks.

2.8. This report is the result of that strategic review.

3. Outcomes and recommendations

3.1. The Medium Term Financial Plan approved by Council on 28th February 2019 forecast a cumulative deficit on General Fund Revenue Expenditure of some £63m by 2022/23 with an immediate savings requirement of £25m for 2020/21. This is in addition to the current year Directorate savings requirement of £12.6m. More recent forecasts indicate an even larger savings requirement will be likely, predominantly as a result of ongoing unfunded pay pressures and continued demographic pressures as well as the already planned and ultimately significant additional capital investment and the associated costs of borrowing. Brexit introduces yet greater uncertainty into the financial landscape.

3.2. Equally, there is clear and compelling evidence that savings planned in the areas of Education, Social Services and Resources are unlikely to be fully achieved in the current year, which puts future years' savings in jeopardy.

3.3. To put it into context, if all planned savings for 2019/20 are achieved it still leaves a minimum gap of £25m to be addressed for 2020/21.

3.4. The Council's strategy for dealing with ongoing budget reductions and Service reforms – Sustainable Swansea – is ongoing and it is clear that, whether as a result of commissioning reviews or emergency action being required to produce a balanced budget going forward, there is likely to be considerable cost in relation to change, together with potential significant investment in digital technology solutions.

3.5. Dealing with the cost of future structural change is a significant financial risk facing the given the scale and pace of budget reductions to be addressed by the Council.

3.6. Traditionally exit costs in relation to downsizing the organization have been dealt with through the use of the annual contingency fund. However, in 2019/20, whilst the contribution to the contingency fund has been substantially increased (to £7.072m), this has been predominantly earmarked to cover any overspend on the Council's budget.

- 3.7. In assessing both the level and use of Earmarked and General reserves, the LAAP bulletin sets out some of the factors that should be considered, including:-
- The treatment of demand led pressures
 - The treatment of planned efficiency savings/productivity gains
 - The financial risks inherent in any significant new funding partnerships or changes in service delivery
 - The general financial climate to which the Authority is subject.

3.8. Having considered the above, and in the context of a medium term financial plan that shows ongoing and sustained budget reductions, it is the opinion of the Section 151 Officer that the Council needs to continue to prepare for significant change in service delivery that will inevitably impact on direct employment levels going forward.

3.9. Changes on such a scale will inevitably come with substantial up-front costs and it is important at this time that the Council plans operationally and financially to meet these changes. Although originally it was thought that this year any exit costs would have to be funded from the savings made by Departments, because the outturn was better than expected the Section 151 Officer proposed in the 2018/19 Outturn Report to Cabinet that for 2019/20 exit costs could now be funded centrally from the Restructure Reserve (up to £3m).

Whilst in previous years the Budget report approved by Council has included the proposal that Schools would also be able to specifically access the Restructure Reserve, this is no longer the case.

3.10. It is vitally important that the Restructuring Reserve is protected as much as possible to enable the Council to carry out any necessary restructuring as it continues to transform under the Sustainable Swansea programme.

3.11. As recommended previously a capital equalisation reserve was created from the underspending on debt charges and the fundamental review by council last year of our approach to the Minimum Revenue Provision calculation. The recommendation continues to be that this reserve is topped up to help with any timing issues around the need to fund any City Deal projects in advance of receipt of funding from other bodies. In particular, as reported in the Quarter 1 Budget Monitoring Report to Cabinet on 15th August the S151 Officer has identified that £2.648m can be transferred from the Insurance Reserve to the Capital Equalisation Reserve. The Leisure Services Equalisation Reserve is being utilised as planned for the timing of payments due on the Leisure Centres contract.

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

Category of Earmarked Reserve	Current Balance 31/03/19 £'000	Proposed Change £'000	Recommended Position £'000
Technical/third party	1,854	0	1,854
Insurance	17,395	-2,648	14,747
Transformation and efficiency	85	0	85
Schools delegated reserves	8,600	0	8,600
Equalisation reserves	16,246	2,648	18,894
Commuted sums	6,613	0	6,613
Repair and renewal funds	1,884	0	1,884
Profit share on joint ventures	560	0	560
Service earmarked reserves	5,583	0	5,583
Capital reserves	5,850	0	5,850
Restructuring costs reserve	3,000	0	3,000
Total Earmarked Reserves	67,670	0	67,670

4. Valuation of reserve requirements

- 4.1. A number of the reserves highlighted above have been set aside for specific purposes; these include the insurance reserve set aside to meet the potential cost of excess payments should a claim on external insurers materialise or should the Council have to meet claims from its own resources. Repair and renewal funds set aside to meet future major repair and renewal costs on strategic assets (for example Wales National Pool, Quadrant Bus Station), and reserves set aside for profit share on disposals of assets where reclamation has been funded by the WDA/Welsh Government.
- 4.2. It is essential that monies set aside for the above purposes are regularly reviewed in order to confirm their accuracy and relevance.
- 4.3. To that extent formal assurance will be sought on the adequacy of these reserve levels as part of the annual budget setting process.
- 4.4. As part of the budget setting process for 2019/20 a formal review of the Insurance reserve was completed and it was further determined that a take from the reserve of £700k per annum could be extended until 2022/23. This has already been built into planning assumptions.
- 4.5. As part of the budget setting process for 2020/21 a formal review will be carried out again of all service earmarked reserves to test their continued relevance and value.

5. Legal implications

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

6. Equality and Engagement implications

- 6.1. The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 6.2. Having assessed the current planned use of earmarked reserves there are no significant equalities implications arising from these changes. An EIA screening form has been attached at Appendix 2.

Background Papers: None

Appendices:

Appendix 1 – LAAP Bulletin 99 – Local Authority Reserves and Balances
Appendix 2 – EIA Screening Form

LAAP BULLETIN 99

Local Authority Reserves and Balances

July 2014

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

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

The Chartered Institute of Public Finance and Accountancy
Registered with the Charity Commissioners of England and Wales Number
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CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed. As the only UK professional accountancy body to specialise in public services, CIPFA's qualifications are the foundation of a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. Our in-house CIPFA Education and Training Centre delivers the range of our programmes at locations across the UK, and works with other places of learning to provide our courses locally. We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients. Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with governments, accounting bodies and the public sector around the world to advance public finance and support its professionals.

INTRODUCTION AND BACKGROUND

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

PURPOSE

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

APPLICATION

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

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

LEGISLATIVE / REGULATORY FRAMEWORK

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

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

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

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

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

TYPES OF RESERVE

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

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

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

FINANCIAL REPORTING FOR RESERVES

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

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

Revaluation Reserves

- The Revaluation Reserve - this is a reserve that records unrealised gains in the value of property, plant and equipment. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or when assets are revalued downwards or disposed of. Local authorities might benefit from these gains in the future from the continued use of the assets or from their sale. The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.
- The Available-for-Sale Financial Instruments Reserve – this is a reserve that records unrealised revaluation gains arising from holding available-for-sale investments, plus any unrealised losses that have not arisen from impairment of the assets. Local authorities might benefit in the future from the gains when the investments mature or are sold or they might be lost in falls in value.

Adjustment Accounts

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

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

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

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

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

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

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

PRINCIPLES TO ASSESS THE ADEQUACY OF RESERVES

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

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

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

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

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

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

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

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

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

⁷ Issued by the Accounts Commission in March 2014

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

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

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

EXTRACT FROM LAAP BULLETIN 55

7 A New Reporting Framework

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

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

7.3 It is recommended that:

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

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

EXTRACT FROM LAAP BULLETIN 77

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

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

FURTHER INFORMATION:

The Pitt Review can be downloaded from:

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

Staying Afloat can be downloaded from:

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

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

LASAAC Guidance on Reserves in Scotland can be downloaded from:

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

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

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

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

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

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

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

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

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

Appendix D

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

CHAPTER TWO: CONCEPTS AND PRINCIPLES

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

CHAPTER THREE: FINANCIAL STATEMENTS

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

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

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

CHAPTER EIGHT: LIABILITIES

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

8.2.2.12 A provision shall be recognised when:

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

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

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

Equality Impact Assessment Screening Form - Appendix 2

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: Financial Services and the Service Centre

Directorate: Resources

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) Please name and describe here:

S151 Officer's recommendation/review of reserves held by the Council

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line
service delivery

(H)

Indirect front line
service delivery

(M)

Indirect back room
service delivery

(L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they
need to

(H)

Because they
want to

(M)

Because it is
automatically provided to
everyone in Swansea

(M)

On an internal
basis
i.e. Staff

(L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
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 checked="" 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Equality Impact Assessment Screening Form - Appendix 2

Q4 WHAT ENGAGEMENT / CONSULTATION / CO-PRODUCTIVE APPROACHES WILL YOU UNDERTAKE?

Please provide details below – either of your planned activities or your reasons for not undertaking engagement

None - this is a proposed review and one off release from existing reserves to continue to discharge Council and S151 Officer duties to maintain a balanced budget.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility <input type="checkbox"/> (H)	Medium visibility <input type="checkbox"/> (M)	Low visibility X <input checked="" type="checkbox"/> (L)
---	---	---

**(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL’S REPUTATION?
(Consider the following impacts – legal, financial, political, media, public perception etc...)**

High risk <input type="checkbox"/> (H)	Medium risk <input type="checkbox"/> (M)	Low risk x <input checked="" type="checkbox"/> (L)
---	---	---

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes x No **If yes, please provide details below**

**Q7 HOW DID YOU SCORE?
Please tick the relevant box**

**MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
Please go to Section 2**

**MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
Please go to Q8 followed by Section 2**

Q8 If you determine that this initiative is not relevant for an EIA report, you must provide a full explanation here. Please ensure that you cover all of the relevant protected groups.

This is a review of accumulated reserves and recommended release from reserves to maintain a balanced budget and enable the Council to function lawfully. It has no otherwise direct ongoing impact on any service user. Failure to review reserves and act as necessary to draw necessary sums would fail to ensure there is a balanced budget which could necessitate statutory intervention and then have a direct impact on current and future service users.

Equality Impact Assessment Screening Form - Appendix 2

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name: Ben Smith
Job title: Chief Finance Officer, Head of Financial Services and the Service Centre, Section 151 Officer
Date: 07/09/2018
Approval by Head of Service:
Name: : Ben Smith
Position: Chief Finance Officer, Head of Financial Services and the Service Centre, Section 151 Officer
Date: 07/09/2018

Agenda Item 12.



Report of the Chief Finance and Section 151 Officer

24 October 2019

Council Tax Premiums in Wales

Purpose:	<p>To provide information and consider whether to continue to allow 50% Council Tax discounts on unoccupied and unfurnished properties after any statutory period of exemption expires.</p> <p>To provide information and to consider the discretionary powers to charge higher amounts of Council Tax (premiums) on certain properties provided for by the Housing (Wales) Act 2014.</p>
Policy Framework:	None.
Consultation:	Access to Services, Finance, Legal
Recommendation(s):	<p>It is recommended that:</p> <ol style="list-style-type: none">1) The details of the discretionary powers relating to Council Tax premiums, discretionary discounts for unoccupied and unfurnished dwellings and the related issues outlined in this report are noted.2) The outcome of the consultation exercise undertaken by the Council in July and August 2019 is noted.3) In accordance with S11 Local Government Finance Act 1992 that the Council considers whether to continue to exercise its discretion and allow a 50% Council Tax discount on dwellings that remain unoccupied and unfurnished after any statutory period of exemption has expired and from 1 April 2020 ceases to allow such discounts.4) In accordance with S139 Housing (Wales) Act 2014 (which amended the Local Government Finance Act 1992) that the Council considers exercising its discretion on whether to charge Council Tax premiums of up to 100% of the standard rate of Council Tax on long term empty dwellings and second homes and:<ol style="list-style-type: none">i) From 1 April 2020 for dwellings in its area that have been unoccupied and unfurnished for more than 12 months (long term empty properties) under Section

12A of the Local Government Finance Act 1992 determines to charge a premium of 100% on top of the standard rate of Council Tax.

- ii) From 1 April 2021 for dwellings in its area that are occupied periodically (commonly referred to as “second homes”) under Section 12B of the Local Government Finance Act 1992 determines to charge a premium of 100% on top of the standard rate of Council Tax.
- 5) Should the Council determine to charge Council Tax premiums, an additional full time Council Tax Property Inspector be employed on a permanent basis to support compliance measures and a new full time post of Council Tax Premiums Officer be created for a temporary period (up to 2 years) to manage the implementation of the premiums. Both posts to be funded from the additional revenue raised from charging Council Tax premiums.

Report Author: Julian Morgans

Finance Officer: Ben Smith

Legal Officer: Tracey Meredith

Access to Services Officer: Rhian Millar

1.0 Background

1.1 The Local Government Finance Act 1992 gave local councils the discretion to allow a 50% Council Tax discount on properties that remain unoccupied and unfurnished after any statutory period of exemption expires. Swansea made a decision to allow such discounts in 2005 and continues to do so.

- A determination to vary or revoke the decision to allow this discount must be made before the start of the financial year to which the decision relates.

1.2 From 1 April 2017, S139 The Housing (Wales) Act 2014 (which amended the Local Government Finance Act 1992) gave local authorities in Wales the discretion to charge higher amounts (a premium), of up to an additional 100% on top of the standard rate of Council Tax, on second homes and long-term empty properties. Whether to charge a premium on second homes and/or long term empty homes is an individual decision to be made by each local authority and must be made by full Council.

- A decision to charge a premium on second homes must be made at least one full year before the beginning of the financial year to which the premium relates. In order to charge a premium from 1 April 2021, a billing authority must make a determination before 1 April 2020.
- A decision to charge a premium on long-term empty properties must be made before the start of the financial year to which the premium relates. In order to charge a premium from 1 April 2020, a billing authority must make a determination by 31 March 2020.

- 1.3 The Act also gave Welsh Ministers powers to make regulations setting out exceptions which prescribe certain classes of dwelling which may not be subject to a premium. These are set out in the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015 (see section 5 below).
- 1.4 Local authorities are able to retain any additional funds generated by implementing the premia and amendments to the calculation of the tax base have been made to facilitate this. However, authorities are encouraged by WG to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums. The measure is very specifically designed to nudge individual ownership behaviours, through the local taxation system, to encourage empty and second homes to be potentially brought back into mainstream occupation, thus helping to address local housing supply shortages, and at the same time provide a direct source of revenue to assist the local authority in facilitating further measures to better match local housing supply and demand.
- 1.5 Council Tax raises approximately 27% of our overall budget requirement, with 73% coming from block revenue support grant. Consideration of the removal of the existing discount, and the introduction of premia, offers the opportunity to levy more Council Tax on certain classes of property, and home ownership types, in a much more targeted fashion, in line with the principles of the legislation, than general decisions by Council on levels of Council Tax.

2. 50% discretionary discount

- 2.1 The decision whether to allow a 50% Council Tax discount on unoccupied and unfurnished properties after any period of statutory exemption expires is a local one made by each authority. Swansea made a decision to allow this discount in 2005 and this decision has not been reviewed for some years. There is currently no time limit on this discount.

Other local authorities in Wales either allow the discount in the same way as Swansea, have never done so or have ceased doing so.

As the potential implementation of Council Tax premia is being considered, it is necessary to also consider whether to allow this discount to continue as the Council cannot decide to charge a Council Tax premium unless this discount has been removed.

Also, Welsh Government has now indicated that from April 2020, it will cease making allowances in the Revenue Support Grant (RSG) for Councils that allow this discount and any authorities continuing to do so would, in effect, be required to finance the discount themselves. This will be achieved by adjustments to the Council Tax Base calculation which in turn will result in the RSG being reduced.

- 2.2 In practice, if this discount was removed, once a statutory period of exemption expired, the standard 100% level of Council Tax would become payable immediately. This is a separate decision to the implementation of any premium although the outcomes would often be linked when determining a taxpayer's liability.
- 2.3 In Swansea we currently have 2,339 unfurnished and unoccupied dwellings liable for a 50% Council Tax charge. Although dis-applying this discount would appear to provide an opportunity to raise additional revenue, when Welsh Government changes how the Council Tax base is calculated, as it has confirmed it intends to do, then that will not be the case.

3. Dwellings Occupied Periodically (Second Homes)

- 3.1 At present this authority has determined under the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998 that second homes (those that are furnished and no one's sole or main residence) are subject to a full Council Tax charge at the standard amount.
- 3.2 In relation to the premiums that can be applied to second homes, a second home is defined as a dwelling which is not a person's sole or main home and is substantially furnished. These dwellings are referred to in the Local Government Finance Act 1992 ("the 1992 Act") as inserted by the Housing (Wales) Act 2014, as dwellings occupied periodically and commonly referred to as "second homes".
- 3.3 In order for a premium to apply to a 'second home', a billing authority must make its first determination to charge a premium at least one year before the beginning of the financial year to which the premium will relate. In order to charge a premium for second homes from 1 April 2021, a determination, by full Council, would have to be made before 1 April 2020.
- 3.4 Swansea, like other authorities considering this decision, does not hold a definitive list of properties that would fall into the second home category. However, based on the details we currently hold, we estimate that there are 1884 properties that fall into the second home category within the Swansea area. Of these 1884 properties, around 676 have been in this category for under 12 months, 229 for between 12 and 24 months and 979 for more than 24 months.
- 3.5 When reviewing the distribution of second homes throughout Swansea, as expected, 65% of second homes are based in the Gower, Swansea West and the Marina areas with the remaining properties being more evenly spread throughout the council area. Our data also indicates that the majority of people (52%) owning such properties within Swansea have their normal home outside the city area.
- 3.6 The current amount of Council Tax charged for 1884 second homes is £3,340,967. The amount of additional revenue which could be generated from a premium is difficult to accurately predict due to the uncertainty on

whether properties would fall into an exception class. However the last census data revealed that there were 1100 second homes declared which indicates they would be “true” second homes. This would appear to broadly tie in with the 979 dwellings our records show as being second homes for over 2 years and some of the ‘holiday homes’ declared in the census will have transferred from Council Tax to Non Domestic rates since the census was taken.

Taking an estimated 1,100 second homes into account and an estimated average charge of £1,773 (by dividing the 1884 second homes currently on the Council Tax system into the current £3.3m yield), the table below shows the additional revenue that could potentially be generated from a

<u>Estimated</u> Additional Revenues That Could be Generated from Premiums on Second Homes					
Estimated Second Homes (i.e. not falling into an exception class) = 1,100					
Estimated Average charge = £1,773					
Current Revenue for 1,100 Properties	Current Revenue for 1,100 properties + 0% Premium	Current Revenue for 1,100 properties + 25% Premium	Current Revenue for 1,100 properties + 50% Premium	Current Revenue for 1,100 properties + 75% Premium	Current Revenue for 1,100 properties + 100% Premium
£1,950,300	£1,950,300	£2,437,875	£2,925,450	£3,413,025	£3,900,600
Estimated Difference in Additional Revenues					
Premium	0%	25%	50%	75%	100%
Gross estimated additional income	Nil	£487,575	£975,150	£1,462,725	£1,950,300
Less estimate reduction for excepted properties, moves into NDR and recovery rate say 20% (conservative estimate)	Nil	- £97,515	- £195,030	- £292,545	- £390,060
Net estimated additional income		£390,060	£780,120	£1,170,180	£1,560,240

higher amount over a range of percentages on this deliberately conservative estimate of 1,100 second homes.

4. Long term empty properties

- 4.1 The Housing (Wales) Act 2014 gives local authorities the discretion to charge a premium for dwellings that are considered to be long-term empty properties. The premium can be any percentage up to 100% and can be applied as soon as the property satisfies the definition of a ‘long

term empty property' (after a year of being unoccupied/unfurnished) or from a later date as decided by the Council.

4.2 At present, properties that remain unoccupied and unfurnished after any statutory period of exemption from Council Tax expires are awarded a discretionary 50% discount without any time limit as explained in paragraph 2. One of the decisions arising from this report will be whether to cease to allow that discount on all properties.

4.3 However, even if Swansea decides to continue allowing that 50% discount, to implement a premium, the legislation requires that it be removed before a premium can be charged. In practice, this means that once a dwelling is classed as long-term empty property (after one year), the current 50% discount would be dis-applied, bringing the maximum Council Tax to the standard 100% level. A premium of up to a further 100% may then be added, bringing the maximum charge to 200% of the standard charge.

However, if Swansea decides to cease to allow the 50% discount (as mentioned in 2), then the charge would already be at the standard 100% rate at the point the premium was added.

4.4 At the 2019/20 Band D annual charge of £1,602.21 (for wards without community councils), a long-term empty dwelling would currently receive a discount of 50%, leaving £810.11 to pay. A determination to apply a maximum 100% premium would result in an un-discounted Council Tax charge of £1,602.21 to which a maximum 100% premium could be applied, making a total of £3,204.42 to pay.

4.5 A long-term empty property is one which is both unoccupied and substantially unfurnished for a continuous period of one year. The furnishing or occupation of a dwelling for one or more periods of six weeks or less during the year will not affect its status as a long-term empty dwelling. In other words, a person cannot alter a dwelling's status as a long-term empty dwelling by taking up residence or installing furniture for a short period.

4.6 Where a local authority makes a determination to charge a premium on long-term empty properties, it has the discretion to charge whatever percentage rate of premium it determines is appropriate (up to a maximum of 100%) and also the date from which that premium will apply. This is intended to enable local authorities to take a stepped approach with incremental increases applying over time.

4.7 In Swansea we currently have 2,339 unfurnished and unoccupied dwellings liable for a 50% Council Tax charge. The length of time those properties have been charged at that rate are as follows:

- 1293 for less than 1 year
- 368 between 1 and 2 years
- 176 between 2 and 3 years
- 119 between 3 and 4 years
- 54 between 4 and 5 years
- 329 more than 5 years

4.8 The 2,339 dwellings generate an annual yield of £1,725,759 based on a 50% Council Tax charge. An average yield of £738 per empty dwelling. Based on a 100% charge they would yield an average of £1,476 per dwelling.

4.9 The table below provides estimated yields for premiums charged on long term empty properties with various options depending on when the premium is charged from and the amount of the premium charged. There are multiple potential combinations of when a premium could be charged from and how much that premium could be so only the most 'standard' options have been listed.

Estimated Additional Revenues That Could be Generated from Premiums on Long Term Empty Properties (values have been rounded)						
	Dwellings Affected	100% charge	100% + 25% premium	100%+ 50% premium	100%+ 75% premium	100%+ 100% premium
Average estimated yield		1,476	1,845	2,214	2,583	2,952
Charge premium after 1 year	1,046	£1,543,896	£1,929,870	£2,315,844	£2,701,818	£3,087,792
Potential maximum Revenue gained			£385,974	£771,948	£1,157,922	£1,543,896
Less 20% for exceptions, recovery rate, other variables = net actual additional estimated income			£308,779	£617,558	£926,338	£1,235,117
Charge premium after 2 years	678	£1,000,728	£1,250,910	£1,501,092	£1,751,274	£2,001,456
Potential maximum Revenue gained			£250,182	£500,364	£750,546	£1,000,728
Less 20% for exceptions, recovery rate, other variables = net actual additional estimated income			£200,146	£400,291	£600,437	£800,582
Charge premium after 3 years	502	£740,952	£926,190	£1,111,428	£1,296,666	£1,481,904
Potential maximum Revenue gained			£185,238	£370,476	£555,714	£740,952
Less 20% for exceptions, recovery rate, other variables = net actual additional estimated income			£148,190	£296,381	£444,571	£592,762
Charge premium after 4 years	383	565,308	£706,635	£847,962	£989,289	£1,130,616
Potential maximum Revenue gained			£141,327	£282,654	£423,981	£565,308
Less 20% for exceptions, recovery rate, other variables = net actual additional estimated income			£113,062	£226,123	£339,185	£452,246
Charge premium after 5 years	329	485,604	£607,005	£728,406	£849,807	£971,208
Potential maximum Revenue gained			£121,401	£242,802	£364,203	£485,604
Less 20% for exceptions, recovery rate, other variables = net actual additional estimated income			£97,121	£194,242	£291,362	£388,483

NB: The 20% adjustment used in the above table is a conservative estimate

5.0 Exceptions to the Council Tax Premiums on Second Homes and Long Term Empty Properties.

5.1 A premium cannot be charged on a dwelling that falls within an exception as detailed in The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015. Broadly these are:-

Classes of Dwellings	Definition	Application
Class 1	Dwellings being marketed for sale – time limited for one year.	Second Homes and Long-Term Empty Properties
Class 2	Dwellings being marketed for let – time limited for 1 year	
Class 3	Annexes forming part of, or being treated as part of the main dwelling	
Class 4	Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation	
Class 5	Occupied caravan pitches and boat moorings	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

5.2 Some further guidance has been provided by WG for each exception class.

6. Potential issues arising from the application of Council Tax premiums in Swansea.

6.1 **Limited data** – the estimates of the potential revenue that might be raised by dis-applying the 50% discount for unoccupied and unfurnished properties and/or charging premiums are based on limited indicative data. Also, taking into account the 12 month lead-in time before a premium can be charged coupled with external economic factors, it is difficult to accurately predict the level of income that the premia might generate. Nevertheless the overall premia likely raised would be expected to be still very significant in all scenarios.

6.2 **Additional resources/costs** - As part of the implementation plan, there will be a need to consider additional safeguards to mitigate tax avoidance, tax evasion or incorrect application of a premium to a

property that should be excepted. Thus ensuring owners are required to pay the correct amount of Council Tax. Current inspection resources would not permit us to investigate/inspect dwellings where we suspect avoidance is occurring with sufficient frequency. We estimate that initially, at least one additional full time permanent property inspector would be needed and also a temporary post to manage the implementation of the premiums in Swansea. These posts could potentially be funded from the additional income raised from charging the premiums and are a modest cost compared to the potential revenue raised.

- 6.3 **Additional Council Tax burden to the authority** – a small number of the properties currently recorded as empty for a year or more are Council owned and so the authority would have to meet the cost of the increased Council Tax on these properties.
- 6.4 **Tax Base Considerations** - Currently, allowances are made in the Council Tax base calculation for dwellings on which we currently allow the discretionary 50% discount for empty and unoccupied properties. Welsh Government has now indicated that from April 2020, it will cease making allowances in the Revenue Support Grant (RSG) for Councils that allow this discount and any authorities continuing to do so would, in effect, be required to finance the discount themselves. This will be achieved by adjustments to the Council Tax Base calculation which in turn will result in the RSG being significantly reduced if the discount were to be retained beyond April 2020.

In terms of the income from the premia, Welsh Government currently excludes this from Tax Base calculations, since it may be earmarked for particular use in bringing dwellings back into use following the policy intention behind the premium regulations.

7. Equality and Engagement Implications

- 7.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 7.2 A consultation exercise was undertaken over the period Friday 12th July and Friday 9th August in respect of the application of a Council Tax premium to second homes and long term empty properties and also the proposed amounts of those premiums (100% in both cases). To seek

general responses, as is the council's normal process, an online response form was created and also paper copies of the consultation document (including background information) were made available in libraries and the contact centre in the Civic Centre. The Council also wrote to all Council Tax payers who could be identified as potentially being affected by Council Tax premiums, if implemented, inviting them to respond to the consultation using the online form or by contacting the Council to ask for a paper copy to be posted to them.

- 7.3 A total of 567 responses were received to the survey including one from a commercial holiday letting agency which deals with second home owners who let their second homes as holiday accommodation. In addition 29 people also decided to send in a response (or to add additional information to what they had given in the survey) by letter or email.
- 7.4 A numerical analysis of the survey responses is attached at Appendix 1.
- 7.5 Due to the large number of responses/comments received, a summary of those responses and comments is attached at Appendix 2. However, copies of the letters/emails received, the comments made by respondents to the survey and the numerical analysis of the responses have been made available to members so that full consideration of the points raised could be given prior to a decision being made.
- 7.6 From the responses to the consultation it is apparent that the majority of respondents agreed that the authority should seek to introduce measures to reduce the number of long term empty properties in the Swansea area and with the proposal to remove the 50% Council Tax discount currently granted for such properties. The majority were also in favour of charging a Council Tax premium on long term empty properties although the proposed premium of 100% was not supported by the majority.
- 7.7 In respect of the proposal to charge a Council Tax premium on 'second homes'. The majority of respondents did not agree that the Council should seek to reduce the number of second homes in Swansea or that a Council Tax premium should be charged for second homes. Neither did the majority agree with the amount proposed for such a premium at 100% or that the additional revenue raised be used to help bring long-term empty homes back into use and meet local housing needs.
- 7.8 Although the points raised by the respondents to the consultation have been fully considered, the Council's approach to this issue is to use an enabling local taxation measure made specifically available by Welsh Government to engender a change in the property demographic within its area so that the number of empty properties in the area is reduced and the availability of affordable accommodation in the area is increased.

- 7.9 There are options available to mitigate the effects of Council Tax premiums in some circumstances. These are outlined in Appendix 3.
- 7.10 An Equality Impact Assessment screening for this proposal has been completed (see Appendix 4) taking into account the points raised by the consultation. This has confirmed that a full Equality Impact Assessment is not required. The premiums would be based on the classification of a property as a second home/long term empty property and not the owner or other person. There is insufficient data available to accurately identify whether a particular group of people will be adversely affected. The profile of those who took part in the consultation demonstrates that the majority of respondents were those over 50 and it is expected a significant percentage of second homes will be owned by older people and those with higher incomes. If a decision is made to charge premiums on second homes, further information will be sought from owners and other sources to ensure both liability for premiums and eligibility for exceptions are identified correctly.
- 7.11 Where a determination to charge a premium is made, a local authority must publish a notice of the determination in at least one newspaper circulating in its area within 21 days of the date of the determination.

8. The Well-being of Future Generations (Wales) Act 2015

- 8.1 The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.
- 8.2 Using information from the Assessment of Local Well-being and by listening to people, Swansea Council has identified four objectives and a cross-cutting action where working together will make the biggest difference to improve Swansea's well-being.
- **Early Years** - Children have the best start in life to be the best they can be.
 - **Live Well, Age Well** - To make Swansea a great place to live and age well.
 - **Working with Nature** - To improve health, supporting biodiversity and reduce our carbon footprint.
 - **Strong Communities**- To build strong communities with a sense of pride and belonging.

'Sharing for Swansea' - Our Cross Cutting Action is to make sure all services work together more in Swansea by sharing resources, assets and knowledge.

- 8.3 With more than 1,000 long term empty properties in the City area, although the Council has started to build new homes for its citizens, there are still approximately 3,900 people on the waiting list for a Council property. The Swansea Local Development Plan indicates that the City needs around 15,600 new dwellings over the period 2010-2025. Also, there is a requirement for affordable housing across all areas of Swansea, and it will be important to maximise affordable housing delivery wherever possible. One of the ways to address this problem is for the Council to introduce premiums on Council Tax, the proceeds of which can be used to help bring empty properties back into use and meet local housing needs. The application of premiums to long term empty properties will also incentivise owners into ensuring the properties are brought back into occupation without delay.
- 8.4 The existence of large numbers of long-term empty dwellings is a drain on the Council's resources, for example, in dealing with complaints and carrying out emergency repairs in default (when owners fail to maintain them properly). The Council Tax premiums could provide funds for assistance in dealing with these issues and, if the overall aim of bringing properties back into use is achieved, the burden on the public purse would be reduced.
- 8.5 In addition, the revenue raised from implementing Council Tax premiums would support the Council's wider work towards achieving the four objectives identified from the Assessment of Local Well-being . In particular, with the building of strong communities as the aspiration is that long-term empty homes are brought back into use to meet local housing needs.

9. Financial Implications

- 9.1 There are no financial implications other than those already set out in the report.

10. Legal Implications

- 10.1 There are no legal implications associated other than those already set out in the report.

Background Papers:

WG Guidance on the Implementation of the Council Tax Premiums on long Term Empty homes and Second Homes in Wales – issued in 2016.
<https://gov.wales/council-tax-empty-and-second-homes>

Appendices:

- Appendix 1 Responses to the consultation survey
Appendix 2 Summary of the responses/comments to the consultation survey
Appendix 3 Possible mitigation measures available in respect of Council Tax premiums
Appendix 4 EIA screening form

Appendix 1 - Responses to the Council Tax premium consultation survey

Please note: some percentage figures on this report are rounded up or down to the nearest decimal place and therefore some consolidated percentages may not total exactly 100%. For example, 50.44 would be shown as 50.4% and 50.45 would be shown as 50.5%. Also, where more than one answer was possible to a question, the total percentage may add up to more than 100%.

If you require this information in an alternative format e.g. Large Print please contact council.tax@swansea.gov.uk or ring us on 01792 635382

Council Tax: Have your Say

The Council is seeking views on proposed changes to Council Tax charges for owners of long-term empty properties and second homes in the city. There are currently around 2,200 empty properties in Swansea at a time when there are 4,000 families and individuals seeking good quality accommodation. There are also around 1,800 second homes in Swansea.

One of the ways to address this problem is for the council to introduce a premium on Council Tax for such properties, the proceeds can be used to help privately-owned property owners bring empty homes back into use and meet local housing needs.

At present the council has used its discretion to award all long-term empty domestic properties a 50% discount on Council Tax. If the new proposals are introduced, this will change and there are details of how this would look below. The changes being proposed should not affect people who own more than one property if the house is occupied by a tenant, as the tenant would normally be liable to pay the Council Tax. Nor does it affect those who offer homes for holiday let where the holiday home is subject to business rates.

Have your say on the proposals by taking part in this short survey, the consultation closes on Friday 9th August.

Long-term empty properties

Swansea Council wants to help reduce the number of long-term empty properties in the city. These properties, which have been unoccupied or unfurnished for at least one year, have a negative impact on communities and on the availability of housing.

In Swansea there are approximately 1400 long-term empty properties at a time when more than 4,000 people are on the council housing waiting list. We want to work with property owners to reduce the number of these empty properties and bring them back into use.

Do you agree or disagree that the Council should put measures in place to reduce the number of long-term empty properties in Swansea?

178 (39.5%)	Strongly agree	161 (35.7%)	Tend to agree	37 (8.2%)	Tend to disagree	75 (16.6%)	Strongly disagree
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Review of the 50% Council Tax Discount

Properties which remain unoccupied and unfurnished after any period of statutory exemption has expired, receive an ongoing 50% discount on their annual Council Tax bills. Over 2,200 properties currently receive this discount in Swansea and more than 360 of them have been receiving this discount for five years or more.

We want to review this discount and consider whether it should continue to be available.

Our proposal is to remove the 50% Council Tax discount on long-term empty properties. If agreed this change would take place from April 2020. This would apply from the end of any statutory period of exemption from Council Tax (which varies depending on the specific exemption class).

Do you agree or disagree with our proposal to remove the 50% Council Tax discount on long-term empty properties as outlined above?

218 (39.9%)	Strongly agree	157 (28.7%)	Tend to agree	51 (9.3%)	Tend to disagree	121 (22.1%)	Strongly disagree
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If you disagree, please tell us why

170 (100.0%)

Are there any alternatives that you think the Council should consider?

180 (100.0%)

Long-term empty Properties - introduction of a premium

If the Council removes the 50% discount, it can also charge a premium to an owner of a long-term empty property. The premium would be added to the annual Council Tax for that property. The premium could be up to an extra 100% of the Council Tax due on that property.

The introduction of a premium could encourage the reduction of long-term empty properties in Swansea. Funds raised from this premium could also be used to help bring long-term empty homes back into use.

Our proposal is to introduce a Council Tax premium of 100% on properties that have been empty for over 12 months from April 1, 2020. This would mean that certain properties that have been unoccupied and unfurnished for a continuous period of at least one year, and do not qualify for an exemption, would in effect pay 200% in Council Tax. For an average Band D property in Swansea, based on 2019/2020 charges, this would mean that the Council Tax due for the property for a whole year would be approximately £3,200.

Do you agree or disagree with our proposal to introduce a Council Tax premium on properties that have been empty for over 12 months?

158 (30.3%)	Strongly agree	131 (25.1%)	Tend to agree	70 (13.4%)	Tend to disagree	163 (31.2%)	Strongly disagree
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Do you agree or disagree with our proposal that the level of premium should be set at 100% (as described above)?

128 (25.3%)	Strongly agree	102 (20.2%)	Tend to agree	69 (13.6%)	Tend to disagree	207 (40.9%)	Strongly disagree
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If you disagree with the above please tell us why.

257 (100.0%)

Are there any alternatives that you think the Council should consider?

198 (100.0%)

If our proposals for long-term empty properties are agreed, we would use any income gained to help bring long-term empty homes back into use and meet local housing needs.

Do you agree or disagree that the income should be used in this way?

204 (40.2%)	Strongly agree	140 (27.6%)	Tend to agree	55 (10.8%)	Tend to disagree	109 (21.5%)	Strongly disagree
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Second Homes

We estimate that there are around 1,800 second homes in Swansea. These are properties which are not a persons sole or main home and are substantially furnished. Just over half of all second homeowners live outside of Swansea.

In Swansea, 67% of all second homes are located in Gower, Swansea West and the Marina areas. The remaining properties are evenly spread throughout Swansea.

A higher percentage of second homes tend to be in rural areas where there is often a shortage of affordable housing. There are fewer properties built in rural areas and, as a result, there are fewer affordable homes available for local people.

Do you agree or disagree that the Council should put measures in place to reduce the number of second homes in Swansea?

109 (19.7%)	Strongly agree	62 (11.2%)	Tend to agree	80 (14.5%)	Tend to disagree	301 (54.5%)	Strongly disagree
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Second homes - introduction of a premium

Second homes in Swansea are currently subject to a full Council Tax charge without any discounts.

The Council has the discretion to charge an extra premium of up to 100% of the standard rate of Council Tax on second homes.

Our proposal is to introduce a Council Tax premium on second homes from April 1, 2021. The level of premium we proposed to introduce is 100%. This would mean that second homes, which do not qualify for an exemption, would in effect pay 200% in Council Tax. For an average Band D property in Swansea, based on 2019/2020 charges, this would mean that the Council Tax due for the property for a whole year would be approximately £3,200.

Do you agree or disagree with our proposal to introduce a Council Tax premium on second homes?

108 (19.5%)	Strongly agree	44 (7.9%)	Tend to agree	42 (7.6%)	Tend to disagree	360 (65.0%)	Strongly disagree
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Do you agree or disagree with our proposal that the level of premium should be set at 100% (as described above).

90 (16.3%)	Strongly agree	39 (7.1%)	Tend to agree	41 (7.4%)	Tend to disagree	381 (69.1%)	Strongly disagree
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If you disagree with the above please tell us why

382 (100.0%)

Are there any alternatives that the Council should consider?

280 (100.0%)

If our proposals for second homes are agreed, we would use any income gained to help bring long-term empty homes back into use and meet local housing needs.

Do you agree or disagree that the income should be used in this way?

136 (25.8%)	Strongly agree	96 (18.2%)	Tend to agree	79 (15.0%)	Tend to disagree	216 (41.0%)	Strongly disagree
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Do you have any other comments in relation to this consultation?

272 (100.0%)

Do any of the proposals outlined within this consultation impact you directly?

377 (69.0%) Yes

169 (31.0%) No

If yes, please tell us how?

- 59 (15.5%) I am the owner of a long-term empty property in Swansea
- 253 (66.4%) I am the owner of a second home in Swansea
- 87 (22.8%) Other (please write in)
- 129 (100.0%)

About You

These questions are optional, but we need to ask them to understand if our consultation has reached the right people and to understand how different groups may be affected by the proposals allowing us to address this if we can. In accordance with Data Protection law, any information requested on the following questions is held in the strictest confidence for data analysis purposes only. For further information about how Swansea Council uses your personal data, please see our corporate privacy notice on our website.

Are you...?

- 272 (54.8%) Male
- 224 (45.2%) Female

Is your gender the same as that which you were assigned at birth?

- 449 (97.6%) Yes
- 11 (2.4%) No

How old are you ...

- | | |
|--------------------|-----------------------------|
| 0 (0.0%) Under 16 | 149 (30.0%) 56 - 65 |
| 4 (0.8%) 16 - 25 | 134 (27.0%) 66 - 75 |
| 26 (5.2%) 26 - 35 | 28 (5.6%) 76 - 85 |
| 45 (9.1%) 36 - 45 | 3 (0.6%) Over 85 |
| 87 (17.5%) 46 - 55 | 21 (4.2%) Prefer not to say |

Would you describe yourself as...

Please mark all that apply

- | | |
|---------------------|--|
| 272 (56.4%) British | 2 (0.4%) Other British (please write in at end) |
| 249 (51.7%) Welsh | 6 (1.2%) Non British (please write in at end) |
| 23 (4.8%) English | 0 (0.0%) Gypsy/traveller |
| 4 (0.8%) Irish | 0 (0.0%) Refugee/Asylum Seeker (please write in current/last nationality at end) |
| 8 (1.7%) Scottish | |

Write in here

- 15 (100.0%)

To what 'ethnic' group do you consider

- | | |
|--|---|
| 450 (94.1%) White - British | 0 (0.0%) Asian or Asian British - Bangladeshi |
| 17 (3.6%) Any other White background (please write in at end) | 0 (0.0%) Any other Asian background (please write in at end) |

0 (0.0%) Mixed - White & Black Caribbean	0 (0.0%) Black or Black British - Caribbean
2 (0.4%) Mixed - White & Black African	0 (0.0%) Black or Black British - African
1 (0.2%) Mixed - White & Asian	0 (0.0%) Any other Black background (please write in at end)
0 (0.0%) Any other Mixed background (please write in at end)	0 (0.0%) Arab
6 (1.3%) Asian or Asian British - Indian	2 (0.4%) Other ethnic group (please write in at end)
0 (0.0%) Asian or Asian British - Pakistani	
Write in here	
24 (100.0%)	

What is your religion, even if you are not currently practising?

Please mark one box or write in

183 (40.4%) No religion	0 (0.0%) Jewish
252 (55.6%) Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)	1 (0.2%) Muslim
5 (1.1%) Buddhist	0 (0.0%) Sikh
1 (0.2%) Hindu	11 (2.4%) Other
Any other religion or philosophical belief (please write in)	
14 (100.0%)	

Do you consider that you are actively practising your religion?

132 (33.1%) Yes
267 (66.9%) No

What is your sexual orientation

9 (2.1%) Bisexual	59 (13.6%) Prefer not to say
5 (1.2%) Gay/ Lesbian	5 (1.2%) Other
356 (82.0%) Heterosexual	
Please write in	
24 (100.0%)	

Can you understand, speak, read or write Welsh?

Please mark all that apply

93 (20.8%) Understand spoken Welsh	27 (6.0%) Write Welsh
46 (10.3%) Speak Welsh	69 (15.4%) Learning Welsh
58 (12.9%) Read Welsh	259 (57.8%) None of these

Which languages do you use from day to day?

Please mark all that apply

455 English (99.3%)
32 (7.0%) Welsh
7 (1.5%) Other (write in)

Please write in
14 (100.0%)

Do you have any long-standing illness, disability or infirmity?

By long-standing we mean anything that has troubled you over a period of time or that is likely to affect you over time.

This could also be defined Under the Disability Discrimination Act 1995 as: "Having a physical or mental impairment which has a substantial and long term adverse effect on your ability to carry out normal day to day activities."

83 (17.6%) Yes

388 (82.4%) No

Does this illness or disability limit your activities in any way?

68 (17.6%) Yes

319 (82.4%) No

Thank you for your participation

Appendix 2 - Summary of Council Tax Premia consultation responses and comments

It is worth noting some percentage figures on this report are rounded up or down to the nearest decimal place and therefore some consolidated percentages may not total exactly 100%. For example, 50.44 would be shown as 50.4% and 50.45 would be shown as 50.5%. Also, where more than one answer was possible to a question, the total percentage may add up to more than 100%.

A numerical analysis of the responses, details of all the comments made and copies of letters/emails received as part of the consultation exercise have been made available to members prior to a decision on whether to implement Council Tax premiums being made.

The consultation ran between Friday 12th July and Friday 9th August. The survey was made available online and hard copies were made available at all libraries and the contact centre in the Civic Centre.

In addition, the Council wrote to all Council Tax payers that could be identified as potentially being affected by the proposals, 4223 homeowners, to invite them to take part by using the online survey and also offering the opportunity to ask for a paper copy of the form to be issued.

567 responses were received to the consultation using the online or paper consultation forms although not all questions were answered by every respondent.

Of the people who responded and answered the question which indicated how they might be affected by the proposal:

- 59 are owners of a long-term empty property in Swansea
- 253 are owners of a second home in Swansea
- 87 decided they fell outside these groups and described themselves as 'other'.
- 129 left a comment explaining the circumstances of their ownership which included:
 - I am owner of furnished holiday let.
 - Shared owner of a family property.
 - A part time resident in my old family home.
 - I am an owner trying to sell my empty property.
 - I am the executrix for an estate that owns a long term empty property.
 - I am trying to renovate it on my own limited salary whilst working fulltime.
 - We have a home in swansea as we live in and work in a boarding school.
 - Property Owner and property developer in the area aiming to sell all properties.
 - I own a second home in Swansea which we purchased with a view to occupying full time in retirement.
 - Owner of a chalet at Three Cliffs on a yearly licence that restricts to 6 months occupancy

30 people also decided to send in a response (or to add additional information to what they had given in the survey) by letter or email. One letter after the consultation period but on this occasion we have allow that response to be considered as the respondent had been too ill to send it in earlier.

Long Term Empty Properties

Do you agree or disagree that the Council should put measures in place to reduce the number of long-term empty properties in Swansea?

- 451 responses were received in relation to this question.
- 339 (75.2%) responders either strongly agreed or tended to agree with the question.
- 112 responders (24.8%) strongly disagreed or tended to disagree with the proposal.

Do you agree or disagree with our proposal to remove the 50% Council Tax discount on long-term empty properties as outlined above?

- 547 responses were received in relation to this question.
- 375 (68.6%) responders either strongly agreed or tended to agree with the proposal.
- 172 responders (31.4%) strongly disagreed or tended to disagree with the proposal.

170 comments were made by respondents who disagreed. The following comments typically reflect the general sentiments of those responses.

- Individual circumstances should be taken into consideration.
- House may need refurbishment and the owner can't afford to. Adding Council Tax to the burden just extends the time before the owner can afford to repair the house.
- Because there is no-one in the property they are not using any council services.
- I would be living in the property in question were I not tied to living elsewhere because of looking after a severely disabled friend. I was brought up in Swansea area and wish to retire to my property there. I am 66.
- It is not up to the council to tell people how to use their private property.
- One year is too short, if a family suffers a bereavement they would be under pressure to decide what to do with a property and may not make the correct decision.
- Currently it is difficult to sell anything in the City as I am finding with the old family home being difficult to interest potential buyers in.
- i buy properties that require upgrading and modernisation before returning them to market in a much improved condition, but recently the financial institutions have had a negative effect on the housing market and i have seen three potential sales fall through on on property because of this. landlords or home owners cannot be held responsible for the immoral actions of the banks.
- My property is empty as it is being renovated by myself and very unreliable tradesmen. It has took longer than anticipated but if you double my council tax I will not be able to afford improving it and thus you are penalising me owning a property.
- We are a social landlord (Coastal Housing) and are in the process of ensure all of our stock is up to WHQS standards and in some cases have to do a full redevelopment of a property which can take up to one year. In this case the relief

is beneficial to us because we can put the money into building more properties for swansea and investing in our local community and regeneration projects.

180 comments were made by respondents who offered alternative options the Council could adopt. The following comments typically reflect the breadth of those responses.

- Compulsory purchase, renovate and sell or let.
- Leave the 50% discount as it is
- 100% no interest grants on all vacant properties.
- A sliding taxation scale.
- Build more council house accommodation.
- Charge on properties empty for more than 5 years should double.
- City Council should negotiate with the owners of empty properties and offer advice and support regarding its use. If this is not successful then a range of powers could be made available to make sure the property is reused.
- If a property is still empty after two years then the council should step in but until then it could be a number of factors that are responsible for the empty home eg probate.
- Long Overdue - Burden on BONAFIDE CT Payers - being "FREELOADED" on by out of town, speculative Non Resident ex Welsh Landlords. Destroying communities, cohesion & sustainability contrary to WFG Act.
- Discounts on tax should be received for those clearly undertaking works, or refurbishing properties. Those deliberately kept empty should probably not get the same benefit. Maybe this could work in a rebate style system where if you can evidence the work, you receive the council tax back in full? This then encourages works to be done.
- Charge students and student landlords council tax. Why should they pay no council tax when hardworking low income people who permanently work and live in the city, spending their money in it have to subsidise them

Do you agree or disagree with our proposal to introduce a Council Tax premium on properties that have been empty for over 12 months?

- 522 responses were received in relation to this question.
- 289 (55.4%) responders either strongly agreed or tended to agree with the proposal.
- 233 responders (44.6%) strongly disagreed or tended to disagree with the proposal.

Do you agree or disagree with our proposal that the level of premium should be set at 100% (as described above)?

- 506 responses were received in relation to this question.
- 230 (45.5%) responders either strongly agreed or tended to agree with the proposal.
- 276 responders (54.5%) strongly disagreed or tended to disagree with the proposal.

257 comments were made by respondents who disagreed. The following comments typically reflect the general sentiments of the responses.

- If a property is being actively refurbished, it could take longer than 12 months to complete.
- 12 months is an inadequate period to allow granting of probate and sale of properties. The period before this measure is introduced should be 24-36 months.
- 100% premium is too high. 25% - 50% would seem to be more reasonable. Should not apply if efforts are currently being made to renovate, rent or sell the property.
- After 2 years increase beyond 100% premium.
- As stated previously there could be many reasons why a property is empty. Perhaps charge the full council tax but not the premium. Each case should be dealt with on a case by case basis.
- I think that any premium should be on a sliding scale eg 50% for the first year, 75% for the second year & 100% after 3 years.
- As stated previously there could be many reasons why a property is empty. Perhaps charge the full council tax but not the premium. Each case should be dealt with on a case by case basis.
- In a democratic country one should be allowed to leave their property empty.
- It is understandable that S.C want to bring "long term" properties back into the marketplace but it should be noted that the owners do not generally want their properties empty either. S.C should look at ways to reasonably HELP these people and not impose punitive charges that would make their lives more difficult.

198 comments were made by respondents who offered alternative options the Council could consider. The following comments typically reflect the breadth of those responses. There was some crossover between the answers to the previous question.

- Consider Staggering the time and increase i.e. 12,18,24 months etc 10%, 20%, 30%, premium.
- I would favour a premium on properties that are empty, but that premium should be waived if the owner is rebuilding or waiting on a planning decision from the council.
- Possibly remove the 50% discount but not charge a 100% premium.
- Keep the 50% tax as it is or reduce it further.
- rising annually by 100%, some of the people are so well off, 100% is not going to make any difference to them, if this is raised as above it would make people think. Communities are also disintegrating due to these empty homes.
- Empty properties falling into decay should be compulsorily purchased.
- Reducing the 50% discount after 5 years for properties not being made ready for occupation.
- The level should not exceed the full normal rate
- Reduction in council tax for a period of time after an empty property has been renovated/brought back into occupation, to encourage such activity where people's personal circumstances may make such activity an option for them.

If our proposals for long-term empty properties are agreed, we would use any income gained to help bring long-term empty homes back into use and meet local housing needs.

Do you agree or disagree that the income should be used in this way?

- 508 responses were received in relation to this question.
- 344 (67.8%) responders either strongly agreed or tended to agree with the question.
- 164 responders (32.3%) strongly disagreed or tended to disagree with the proposal.

Second Homes

Do you agree or disagree that the Council should put measures in place to reduce the number of second homes in Swansea?

- 552 responses were received in relation to this question.
- 171 (30.9%) responders either strongly agreed or tended to agree with the question.
- 381 responders (69%) strongly disagreed or tended to disagree with the proposal.

Do you agree or disagree with our proposals to introduce a Council Tax premium on second homes?

- 554 responses were received in relation to this question.
- 152 (27.4%) responders either strongly agreed or tended to agree with the question.
- 402 responders (72.6%) strongly disagreed or tended to disagree with the proposal.

Do you agree or disagree with our proposal that the level of premium should be set at 100% (as described above).

- 551 responses were received in relation to this question.
- 129 (23.4%) responders either strongly agreed or tended to agree with the question.
- 422 responders (76.5%) strongly disagreed or tended to disagree with the proposal.

382 comments were made by respondents who disagreed. The following comments typically reflect the general sentiments of the responses.

- Second homes are sometimes occupied at least 50 percent of the time, to help care for elderly or sick relatives living nearby.
- As an old age pensioner my family i.e. son, daughter in law and grandchildren and their family use the other adjacent property to enable them to visit their grandfather and great grandfather on a regular basis (8 people in all) at various times throughout the year.
- People with second homes here spend money in local shops and restaurants. Swansea is reliant on tourism and visitors should be encouraged not discouraged. They bring revenue and support to local businesses and growth to Swansea. Swansea should welcome visitors.
- Most of the second homes in Gower, Swansea West and the Marina do not fit into The category of affordable homes so, even if they came to the market, they would not address the issue you claim to be trying to address with this proposal.
- Many so-called 'second homes' have been inherited from their families; these should not be penalised with any increase in council tax. These people are locals, have been at school or worked in the area. A differentiation needs to be made between people who've inherited their homes and property developers who have bought properties as a business.
- Although my property is a second/holiday home, it is for sole use of my family only. As we are not permanently resident we do not use significant amounts of Council services but are already paying full Council Tax which I believe is sufficient.
- Continue to charge 100%. This is a fair amount. Owners of these properties already pay their fair share of taxes!
- I am keeping my second home in readiness for possible retirement back to Swansea.
- If our taxes are doubled we will simply sell and spend our vacation time elsewhere and so local businesses will suffer.
- It is a disproportionate and socially unacceptable to target second home homers as the value of our second Home and that of others is already in a fair banded system of taxation. You are not targeting according to ability to pay your are imposing a poorly perceived wealth tax over and above that borne by the majority of Swansea residents.
- This Tax aimed at raising money for building houses and bringing homes back into use but the Council is ignoring the fact that people with second homes have INVESTED their futures in these assets, to provide for themselves and their families now and in the future in retirement and as a pension.
- Distinction should be drawn between holiday homes in Gower and second (non-hol.) homes used by ex-Swansea people in unfashionable areas such as Penderry Ward.
- Second homes have a reduced demand on services and the owners bring money into the area by using shops and restaurants. It is healthy to have a mix of homes in holiday areas such as Mumbles and Gower if Swansea is to promote tourism.
- We have recently purchased a holiday home on the Gower peninsula which will be regularly used for family and friends which will bring income to the local area. The property had been a rental including an Airbnb fo4 5 years and was sale on the open market. As far as we are aware we were the only interested party so it was unlikely to be bought by a local family as their sole home.

280 comments were made by respondents who offered alternative options the Council could consider. The following comments typically reflect the breadth of those responses.

- 100% increase is not enough, these holiday homes - empty most of the year - are pricing young people out of the villages. 200% increase with funds going to affordable housing.
- A smaller premium. No more than 25%. (*similar comments were made with different percentages suggested*).
- Build more affordable homes to rent or partial buy.
- I am not opposed in principle to a premium but it should be phased in over 2-3 or 4 years building to a maximum of 50%. (*similar comments were made with different periods and percentages suggested*).
- 1. Request the additional stamp duty payments on second homes to be transferred from national to local government. 2. Ensure that any proposed council tax premiums are properly means tested.
- Concentrate on the empty properties first to see how far this meets your aims.
- Look for greater efficiency in the running of the council.
- Introduce a tourist tax like Edinburgh if you want to punish tourists
- Retain 100% rating on second homes and look to developing more rural housing.
- Reduce second home Council Tax rate to 50% from Standard full 100%
- Remove the 50% rebate on CT currently extended to all long-term empty domestic properties.
- Whatever is decided, there would have to be concessions for ex pats of Gower, who have good reason to own a second home in Swansea.

If our proposals for second homes are agreed, we would use any income gained to help bring long-term empty homes back into use and meet local housing needs.

Do you agree or disagree that the income should be used in this way?

- 527 responses were received in relation to this question.
- 232 (44%) responders either strongly agreed or tended to agree with the question.
- 295 responders (56%) strongly disagreed or tended to disagree with the proposal.

Do you have any other comments in relation to this consultation?

272 comments were made in response to this question. Most re-iterated points made in respect of previous questions although some additional, if very similar, points were raised. The following comments typically reflect the general sentiments of the additional points raised in the responses.

- A lot of second homes are seriously neglected bringing a blight to good residents.
- It's all about being fair and even handed. Empty properties long term are a disgrace. Full Council Tax after 6 months nothing less. Doubling Council Tax to second home owners who already pay full Council Tax is ridiculous. Students not paying a cent into the Council is also ridiculous.
- Be very careful that you do not put vulnerable people into difficulty.
- I am a professional person living in rented accommodation on Gower, I would like to be able to buy, but there are limited affordable homes available, but it seems a number of empty ones, while I agree some should become available to people worse of then me, please don't forget the people in the middle!
- I live in Port Eynon. Every house that comes up for sale is bought as a holiday home/rental. There are now NO young people left in the village. That is sad and outrageous.
- Long-term empty homes and well-maintained second homes are two distinct categories and should be treated as such. Homes which are left untended which could be available for local people should be encouraged to be so. Holiday homes, not designed or designated as being for permanent residence should not be lumped into the same category.
- The council is clearly seeking to implement sensible proposals to help local people in their housing aspirations. Well done.
- There will be a glut of second homes coming to the market (we will definitely sell up) so any income will be significantly reduced by the law of unintended consequences.
- This money should go towards improving infrastructure to entice visitors to the area.
- We live in a rural area (Gower). Our children don't stand much chance of buying a home here. This issue is what leads to other social consequences - grandparents are not close to help with childcare; adult children not nearby to keep an eye on elderly parents. I question what value second homes bring to the local community.
- I would like the council to consider whether there is any way they could control the number of residential properties being allowed to become holiday lettings or air b&b as they have a negative impact on local communities.
- People with second homes bring more than their fair share of disposable income into the local economy (e.g. shops, restaurants, entertainment facilities etc). They pay the full council tax, even though they are not here all the time, so do not use council funded facilities 100% of the time, representing a saving for the council. Second home owners are also unlikely to be a burden on the benefits system or the NHS. Wales should be welcoming people to this beautiful place, not discouraging them.

Appendix 3 - Possible Mitigation of Certain Issues Raised in the Responses to the Council Tax Premia Consultation.

1. The consultation ran between Friday 12th July and Friday 9th August. The survey was made available online and hard copies were made available at all libraries and the contact centre in the Civic Centre. The Council wrote to all Council Tax payers that could be identified as potentially being affected by the proposals, 4223 homeowners, to invite them to take part by using the online survey and also offering the opportunity to ask for a paper copy of the form to be issued.
 - 567 responses were received to the consultation using the online or paper consultation forms although not all questions were answered by every respondent.
 - 29 people also decided to send in a response (or to add additional information to what they had given in the survey) by letter or email.

A variety of issues were raised in respect of Council Tax Premia and by looking at the broad sentiments of the responses, this document seeks to identify where mitigation of the various issues is possible.

However, it is important to note that in most cases, if the Council is in possession of all relevant information and a property has been correctly determined to be a second home or a long term empty property, the premium will remain payable.

For clarity, any actions mentioned in respect of these mitigating measures will be taken only if the Council decides to charge Council Tax premiums.

2. Exceptions to Council Tax Premiums

- 2.1 A number of comments were made by Council Tax payers in which they outlined personal circumstances which could mean that their dwelling might potentially fall into one of the excepted categories meaning a Council Tax premium could not be charged for the property.
- 2.2 The Council will be writing to those Council Tax payers liable for properties on which it appears a premium would be levied to ensure that the circumstances around the property/owner have not changed and to make clear the circumstances when a premium cannot be charged. Tax payers will be invited to notify us if they believe it is not appropriate for the Council to charge a premium. We will then ask for supporting evidence or investigate further (including possible inspection of the property) where appropriate to determine if an exception should apply.
- 2.3 Details of the exceptions are given overleaf:

Classes of Dwellings	Definition	Application
Class 1	Dwellings being marketed for sale – time limited for one year.	Allowable for Second Homes and Long-Term Empty Properties
Class 2	Dwellings being marketed for let – time limited for one year	
Class 3	Annexes forming part of, or being treated as part of the main dwelling	
Class 4	Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation	
Class 5	Occupied caravan pitches and boat moorings	Allowable for Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

2.4 It would be hoped that the Council would already be aware that the property/person satisfies the criteria for these exceptions to be awarded although it seems likely that there will be cases where we may not be aware particularly where properties are being marketed for sale/let. Entitlement to an exception might be identified during the preparatory period in the run up to any implementation date (during which we will be highlighting the availability of such exemptions to our taxpayers) or even after a Council Tax bill which includes a premium has been issued. Satisfactory evidence of eligibility for an exception will need to be provided if not held already.

3. Existing Council Tax Exemptions

3.1 A variety of Council Tax exemptions already exist for unoccupied but furnished properties and again, some of the comments made imply that properties/people might satisfy the necessary criteria possibly removing the Council Tax charge completely. These include properties that are left empty:

- By someone who has gone to prison.
- By someone who has moved to receive personal care in a hospital or a home, or elsewhere.
- By someone who has moved out to provide personal care to another person.
- Because it is waiting to be occupied by a minister of religion.

3.2 Again, it would be hoped that the Council would already be aware that the property/person satisfies the criteria for these exemptions to be awarded but if not, we would expect them to be identified during the preparatory period in the run up to any implementation date during which we will be highlighting the availability of such exemptions to our taxpayers. Satisfactory evidence of eligibility for an exemption will need to be provided if not held already.

4. Long Term Empty Properties

- 4.1 A number of comments were made that owners did not have sufficient funds to complete renovations to make empty properties habitable again. The authority (via its empty property officer) can offer advice and support, including some financial support, to owners in such a position and various loans are available to help.
- 4.2 The Revenues section already works with the empty properties officer in such circumstances but would develop a more formal arrangement as this issue is likely to be raised more often.

Effective arrangements to 'hand off' taxpayers in difficulty will need to be made, awareness training for staff etc. Information about the support that is currently available can be found here <https://www.swansea.gov.uk/emptyproperties>

5. Section 13A of the Local Government Finance Act 1992

- 5.1 Under this legislation, a billing authority has discretionary powers to reduce Council Tax liability to such extent as it thinks fit. Including down to nil if appropriate. The power can be exercised in particular cases or by determining a class or case. The power may be used to reduce Council Tax liability in circumstances where a local authority may otherwise charge a premium.
- 5.2 Illustrative examples (some provided by Welsh Government) of where a local authority might consider using these powers in relation to premiums would include:
- Where there are good reasons why the dwelling could not be lived in.
 - Where there are reasons why a dwelling could not be sold or let.
 - Where an offer has been accepted on a property but the sale has not yet been completed and the exception period has run out.
 - Where charging a premium might cause hardship.
 - Where renovation work is almost complete and the owner is short of funds.
- 5.3 The above list is not exhaustive and as a billing authority Swansea will consider all relevant factors in line with its Council Tax Discretionary Relief Policy. This policy requires the taxpayer to provide evidence of financial hardship or personal circumstances that justifies a reduction in their Council Tax liability. The taxpayer must also satisfy the Council that all reasonable steps have been taken to resolve their situation prior to application. It would seem likely therefore that in most cases, although not all, owners of second homes would have difficulty in proving financial hardship exists to the point where their liability could be reduced.
- 5.3 It is a matter for a local authority as to whether the discretionary 13A powers are used to reduce council tax liability and the authority will consider each case on its merits having taken into account the circumstances of the case. We expect applications under this provision to increase. The authority bears the cost of these reductions.

6. Transferring from liability for domestic Council Tax to Non-Domestic Rates (Business Rates)

- 6.1 If a holiday property...
- Will be available as a short term holiday letting for 140 days in the next 12 months AND
 - Has been available as a short term holiday letting for 140 days in the last 12 months AND
 - Has actually been let for at least 70 days in the last 12 months...

It can be rated for business purposes and Non-Domestic Rates will be levied on it instead of Council Tax.

- 6.2 It should be noted that decisions on whether a property should be subject to non-domestic rates are made by the Valuation Office Agency (VOA). If an owner fails to provide evidence the VOA needs to make its decision or the VOA decides that the property should remain subject to Council Tax, the Council Tax due, including any premium charged, will remain payable.

7. Appeals

- 7.1 If a person is aggrieved by a calculation made by the local authority of the amount of their council tax liability including their liability to pay a premium, they must, in the first instance, make an appeal to their local authority.
- 7.2 If they are aggrieved by the decision taken by their local authority or if the local authority does not provide a decision within the required timescales, they can appeal to the Valuation Tribunal for Wales but only after they have exhausted the local authority's appeals process.

8. No mitigation possible

- 8.1 As would be expected, various circumstances were also outlined by respondents which without further enquiries, do not offer an opportunity for mitigation. As already stated, in most cases, if the Council is in possession of all relevant information and a property has been correctly determined to be a second home or empty on a long term basis, the premium will remain payable.

For example:

- Although my property is considered a second/holiday home, it is for sole use of my family only. As we are not permanently resident we do not use significant amounts of Council services but are already paying full Council Tax which I believe is sufficient.
- I am keeping my second home in readiness for possible retirement back to Swansea.
- Second homes are sometimes occupied at least 50 percent of the time, to help care for elderly or sick relatives living nearby.
- People with second homes here spend money in local shops and restaurants. Swansea is reliant on tourism and visitors should be encouraged not discouraged. They bring revenue and support to local businesses and growth to Swansea. Swansea should welcome visitors.
- Many so-called 'second homes' have been inherited from their families; these should not be penalised with any increase in council tax. These people are locals, have been at school or worked in the area. A differentiation needs to be made between people who've inherited their homes and property developers who have bought properties as a business.

Appendix 4 - Equality Impact Assessment Screening Form

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: **Resources**

Directorate: **Financial Services and the Service Centre**

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x

(b) Please name and describe here:

Council Tax Premiums in Wales

To consider whether to continue to allow 50% Council Tax discounts on unoccupied and unfurnished properties after any statutory period of exemption expires.

To provide information and to consider the discretionary powers to charge higher amounts of Council Tax (premiums) on certain properties provided for by the Housing (Wales) Act 2014 and to decide whether to charge premiums, the effective date of any premiums (subject to the legislation) and the percentage rate of premium to be charged from the relevant effective date. This legislation has been subject to public consultation when it was enacted by Welsh Government.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
X (H)	<input type="checkbox"/> (M)	<input type="checkbox"/> (L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an internal basis i.e. Staff
X (H)	<input type="checkbox"/> (M)	<input type="checkbox"/> (M)	<input type="checkbox"/> (L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>

Appendix 4 - Equality Impact Assessment Screening Form

Q4 WHAT ENGAGEMENT / CONSULTATION / CO-PRODUCTIVE APPROACHES WILL YOU UNDERTAKE?

Please provide details below – either of your planned activities or your reasons for not undertaking engagement

A full consultation exercise was undertaken on the various proposals over the period Friday 12th July and Friday 9th August in respect of the application of a Council Tax premium to second homes and long term empty properties, the effective dates of any premium and also the proposed amounts of those premiums (100% in both cases). To seek general responses, as is the council's normal process, an online response form was created and also paper copies of the consultation document (including background information) were made available in libraries and the contact centre in the Civic Centre. The council also wrote to all Council Tax payers who could be identified as potentially being affected by Council Tax premiums, if implemented, inviting them to respond to the consultation using the online form or by contacting the Council to ask for a paper copy to be posted to them.

A total of 567 responses were received to the survey including one from a commercial holiday letting agency which deals with second home owners, who let their second homes as holiday accommodation. In addition 29 people also decided to send in a response (or to add additional information to what they had given in the survey) by letter or email.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility <input type="checkbox"/> (H)	Medium visibility X (M)	Low visibility <input type="checkbox"/> (L)
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(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION? (Consider the following impacts – legal, financial, political, media, public perception etc...)

High risk X (H)	Medium risk <input type="checkbox"/> (M)	Low risk <input type="checkbox"/> (L)
--------------------	---	--

Q6 Will this initiative have an impact (however minor) on any other Council service?

X Yes No If yes, please provide details below

Revenue generated from this will be used to fund Council Services. There may be an impact on every service. In particular, the intention behind the legislation that it is supposed to encourage empty properties back into use so there may be an impact on the work of the empty properties officer in Environmental Health and Housing.

Q7 HOW DID YOU SCORE?

Please tick the relevant box

MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
Please go to Section 2

MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
Please go to Q8 followed by Section 2

Appendix 4 - Equality Impact Assessment Screening Form

Q8 If you determine that this initiative is not relevant for an EIA report, you must provide a full explanation here. Please ensure that you cover all of the relevant protected groups.

The potential impact on the majority of protected groups (83%) has been determined to be low.

This is because the premiums would be based on the classification of a property as a second home/long term empty property and not the owner or other person. There is insufficient data available to accurately identify whether a particular group of people will be adversely affected. The profile of those who took part in the consultation demonstrates that the majority of respondents were those over 50 and it is expected a significant percentage of second homes will be owned by older people and those with higher incomes. For that reason, the impact for the protected group 'Older people (50+)' has been determined to be medium. However, as a percentage of the entire Swansea population falling within that group, we expect that a relatively small number of older people would own second homes/long term empty properties (especially as around 53% of second home owners live outside Swansea) which is why the 'medium' assessment was made and not a 'high'.

For the other 2 protected groups where the impact has been highlighted as potentially being 'medium' (that is Poverty/social exclusion and Community cohesion) the impact is expected to be positive.

Welsh Government's aim in giving local authorities the discretion to charge a Council Tax premium is that it is intended to be a tool to help Councils to:

- bring long-term empty homes back into use to provide safe, secure and affordable homes and
- support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.

Achieving these aims would help work towards reducing poverty and social exclusion and could increase the number of properties available for occupation by local residents.

If a decision is made to charge premiums on second homes, further information will be sought to ensure that those properties for which a premium cannot be charged, due to the exceptions provided for in the relevant legislation, are identified correctly and no incorrect charges are levied.

With this information in mind, the matter does not require a full EIA report.

Appendix 4 - Equality Impact Assessment Screening Form

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name: Julian Morgans
Job title: Revenues and benefits Manager
Date: 21/8/19
Approval by Head of Service:
Name: Ben Smith
Position: Chief Finance Officer
Date: 21/8/19

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 13.



Council – 24 October 2019

Councillors' Questions

Part A – Supplementaries

1	<p>Councillors Mike Day, Cheryl Philpott & Chris Holley</p> <p>We congratulate the Cabinet on accessing a grant to bring the Palace Theatre back into beneficial use. Can the Leader tell Council whether the same action has been, or will be, taken with regard to Home Farm, which is also an important part of Swansea's historic heritage.</p> <p>Response of the Leader</p> <p>The grant funding targeted for the former Palace Theatre is Welsh Government 'Building for the Future' funding and EU Targeted Regeneration Investment Programme. Both funds have geographical boundaries focussed on Swansea City Centre. Therefore these funding streams are not available to Home Farm.</p> <p>Cadw have recently reopened their grants programme for listed buildings; these are small grants for the repair/ reinstatement of historic features and the amount available will be very small against the as yet unknown scale of the conservation deficit at Home Farm.</p>
2	<p>Councillors Jeff Jones, Mike Day & Gareth Sullivan</p> <p>Can the Cabinet Member tell Council how many supplier contracts have failed since April 2018. Given that the Council has seen problems in recent months with failure of contractors, such as those for the Kingsway and car parking ticketing machines, can the Cabinet member also tell Council</p> <ol style="list-style-type: none">What arrangements are in place to monitor all council contracts.What risk assessment process is applied to contractors.What contingency arrangements are in place to cover the possible failure of key suppliers and/or contractors. <p>Response of the Cabinet Member for Delivery & Performance</p> <p>Two suppliers have gone into administration since April 2018.</p> <ol style="list-style-type: none">What arrangements are in place to monitor all council contracts. <p>The Council contracts for a wide variety of goods and services and each contract is managed on a day-to-day basis by the Council Service that holds the budget for the contract in question, so for example if there is a purchase of new traffic lights then that would be the responsibility of the Highways and Transportation Service. There are two key nominated roles per contract – the contract's Authorised Officer (with day-to-day responsibility) and also the Responsible Officer for the contract which is the Head of Service responsible for</p>

the contract and its budget and ensuring that the performance measures set in the contract are met. Council Officers can also call upon the expertise of Corporate staff (Finance, Legal or Commercial for example) to obtain further advice in the event of any supplier issues during the contract.

b. What risk assessment process is applied to contractors.

The Council operates a robust procurement system with one of the key elements the need for due diligence of its suppliers via assessment of a 'supplier suitability questionnaire' and which will cover important issues such as health and safety checks, relevant insurances (professional indemnity, employer liability and so forth), financial checks, relevant experience and any necessary accreditations based on the needs of the contract. Furthermore during the procurement process extensive questioning is undertaken to assess a supplier's technical ability to provide the good or service in question, one example of this is the use of 'method statement' questions where suppliers are obliged to provide information on how they would deliver the Council's requirement, which are then also reviewed and assessed by Council staff.

c. What contingency arrangements are in place to cover the possible failure of key suppliers and/or contractors.

The Council, in common with other public sector organisations and the private sector, uses a number of mitigating measures to protect itself in the event of supplier failure. In addition to the general basic measure of paying a supplier after the service has been delivered other protections include the use of parent company guarantees (so in the event of a failure the Council may have direct recourse to a parent company body); performance bonds (which enable the Council to make a financial claim against a guarantor in the event that the contractor fails to perform); retention of funds to ensure that work is completed to a satisfactory standard; step in rights which would allow the Council to contract directly with any subcontractors, and also the use of vesting certificates that ensure the ownership of goods bought for the Council by a supplier become Council property, rather than say the goods being subject to retention by creditors in the event of any failure of the supplier.

3 **Councillor Mike Durke**

Following a previous question about the number of Swansea schools being accepted at Oxford and Cambridge Universities, over the last three years how many students have gained a place at our excellent Higher Education Institutions - University of Wales Trinity Saint David and Swansea University.

Response of the Cabinet Member for Education Improvement, Learning & Skills

Unfortunately this information is held by the Universities and Colleges Admissions Service (UCAS). As a local authority we would not be able to find out the numbers.

It would appear that under new GDPR rules, this information will be prevented from being shared.

4	<p>Councillors Chris Holley, Jeff Jones & Kevin Griffiths</p> <p>What is the current advice for the distribution of gritting Materials given the history of major changes in our climate over the winter months and what are our stocks of the materials.</p> <p>Response of the Cabinet Member for Environment & Infrastructure Management</p> <p>No major changes have been made to the Winter Service Plan both in terms of existing gritting routes and resilience of salt. Gritting routes are available on the councils web pages (online mapping). The salt stock is being replenished prior to start of the winter season and will meet the levels recommended by best practice (over 5,000 tonne).</p> <p>All grit boxes will be refilled at the start of season.</p>
5	<p>Councillors Wendy Fitzgerald, Lynda James & Mary Jones</p> <p>Could the Cabinet Member update Council as to what signage improvements have been made to ensure that those using the 30 minute free parking for the railway station know how to exit the High Street multi-storey car park.</p> <p>Response of the Cabinet Member for Environment & Infrastructure Management</p> <p>Following on from some reports from members of the public that the signage of High St MSCP was confusing, a thorough review of all floors was carried out by the Car Parks Team.</p> <p>Following this review, a significant number of old and faded signs together with numerous ‘temporary’ signs have been removed with a much clearer sign being designed. This sign has been approved and once printed will be installed on all floors of the car park. This sign directs people who are using the MSCP to drop off for the train station to press the intercom to exit the car park.</p> <p>The tender for the new equipment is being finalised with the successful bidder being confirmed and an installation program.</p>
6	<p>Councillors Wendy Fitzgerald, Mary Jones & Jeff Jones</p> <p>Many thousands of trees are going to be lost across Swansea as a consequence of Ash Dieback. Could the Cabinet Member inform Members if there is likely to be any funding available to enable new planting to take place specifically along stretches of heavily trafficked roads where increased air and noise pollution as a consequence of tree loss could impact on nearby residential areas.</p> <p>Response of the Cabinet Member for Environment & Infrastructure Management</p> <p>The Authority and other Welsh authorities are working through the process of the ash dieback ‘toolkit’ developed and refined by the Tree Council along with several English authorities that have already dealt with the disease.</p>

The toolkit provides a four stage process for dealing with the disease, with planting and re-planting being the fourth and last stage. It is likely to take a number of years before this last stage is completed, although we are attempting overlap the stages and the council is planting many hundreds of large trees and many thousands of small trees through other schemes across the county that all go some way to replacing what is being lost. For example we have recently been successful in our bids for new woodland funded under the Glastir project.

With regard to specific areas to replant, these will need to be assessed to see if they are suitable. Many areas of woodland and woodland strips for example should not require replanting as other species should fill the space created and natural regeneration will outstrip any new trees added in these areas. Tree planting on verges will only be possible where they form part of the highway, as verge areas can be in private ownership.

At the present time there is no new funding available for specific replacement replanting of lost ash trees. Funding for all parts of the disease is a major issue for the authority and the council is approaching WG on the issue.

Part B – No Supplementaries

7 Councillors Peter May & Irene Mann

Cases involving Swansea Council planning officers' interpretation of policy H9 on HMOs in the new LDP have recently been overturned twice on appeal by the planning inspectorate. The two cases in question were Montpelier Terrace (Uplands) and Ysgol St (St Thomas). The council leader has indicated in the press that "We intend to pursue this strongly"

- a. Does "to pursue this strongly" refer to just the St Thomas decision or the Uplands decision as well as the press article is unclear on this point?
- b. The only way to overturn the decision(s) of the inspector(s) is to apply to the High Court. Does "To pursue this strongly" mean that an application is actually being made to the High Court, or will the decision of the inspector(s) to allow the HMO(s) remain unchallenged by Swansea Council?
- c. Have any cases involving other policies in the new LDP been overturned by the planning inspectorate and if so what are they.

Response of the Cabinet Member for Delivery & Performance

a. The Council are in the process of taking legal advice in relation to both appeal decisions.

b. As stated, the Council are in the process of taking legal advice in relation to both appeal decisions. After considering the advice, legal proceedings will be issued if appropriate.

c. Yes. Since the adoption of the LDP 7 other appeals involving LDP policies have been allowed.

The planning application reference of these appeals are reproduced below and full details on each case can be accessed on the Council web site:

2018/1255/FUL
2018/1887/FUL

	<p>2018/2082/FUL 2018/2275/FUL 2018/2506/OUT 2018/2564/FUL 2019/0317/FUL</p>
8	<p>Councillors Peter May & Irene Mann</p> <p>An application to convert a family home to an HMO was referred to the planning committee by officers. The application in question was 2019/1617/FUL, 141 Western Street, Sandfields, Swansea, SA1 3JY: Change of use from 3 bedroom residential (Class C3) to 4 bedroom HMO (Class C4). At the time of writing, the outcome of the committee's vote was unknown.</p> <p>In essence, the planning department wanted the planning committee to test the application of an exemption to the H9 HMO policy rather than do it themselves under delegated powers.</p> <p>a. If the planning department wanted the committee to independently test and debate the application of a new policy, why was a recommendation, in this case approval, offered to them.</p> <p>The test involved in this case was to determine whether a C3 property that was already sandwiched could be converted into C4 HMO despite being above the percentage threshold by considering it as an exceptional circumstance. In the draft supplementary planning guidance, the planning department has introduced this very same exceptional circumstance for public consultation. The public consultation is not yet complete.</p> <p>b. Would it have been wiser to have not involved the planning committee to determine an application based on an aspirational exemption which is not yet official recognised supplementary planning guidance and simply decided the application under delegated powers on the LDP H9 policy as written. Would it have been wiser to let the public consultation run its course.</p> <p>On examining the HMO public register, there are over 150 properties in the Uplands ward which are C3 residential and are sandwiched between two HMO properties.</p> <p>c. If the above application was approved can the cabinet member appreciate the vulnerability that these 150 family home C3 properties would now face to be converted into HMOs by this precedent. Can he see that there would be real potential for these properties to be targeted by estate agents and developers in order to circumvent the percentage threshold.</p> <p>Response of the Cabinet Member for Delivery & Performance</p> <p>a. The issues are fully addressed in the Committee report. In this instance there were considered to be overriding material considerations which outweighed concerns regarding harmful concentration or intensification. In this respect if the application were not approved any future residents of the application property will likely have long term negative amenity impacts because they are sandwiched between two HMO's.</p>

	<p>b.The application was not considered against the provisions of the draft SPG because this carries little material weight at this stage. As the Planning Committee report states policy H9 provides that “HMO proposals that would lead to a breach of the maximum thresholds will only be permitted where there are exceptional circumstances or overriding material considerations that demonstrably outweigh any concerns regarding harmful concentration or intensification.” The application was considered on this basis.</p> <p>c.Each application is considered on its own merits having regard to the provisions of the development plan including the provisions quoted above. It is not considered that the determination of this application would set a precedent for the consideration of future applications as these will need to be assessed having regard to the individual circumstances prevailing at the time.</p>
9	<p>Councillors Peter Black, Graham Thomas & Gareth Sullivan</p> <p>How many households as a proportion of the total, presenting as homeless or in danger of homelessness had a household member who was in paid employment at the time.</p> <p>Response of the Cabinet Member for Homes Energy & Service Transformation</p> <p>This information is not reported on currently and we are not required to record it for Welsh Government statistical purposes. An analysis of our own records however shows that in the first quarter of 2019/20 (April to June), out of 627 households that presented as threatened with homelessness, 22% were in paid employment, which could be part-time or full time employment.</p> <p>It should be noted that these figures are for the main applicant only, and it is possible that other household members may be in paid employment and therefore the overall figure may be slightly higher than 22%.</p>
10	<p>Councillors Susan Jones, Mary Jones & Jeff Jones</p> <p>Could the Cabinet Member explain why the Council’s automatic telephone system is apparently unable to recognise several Welsh names, insisting on providing an alternative English one instead, and also has difficulty in understanding a Welsh accent.</p> <p>Response of the Leader</p> <p>The system is working very well and of course, it does recognise Welsh names and Welsh accents. It was introduced in June this year to improve our customer service and was already being successfully used by other local authorities, health boards and police forces. Inevitably there are some words, both English and Welsh, that are not initially in the system’s directory and as soon as we become aware of these they are added. There are also some words that some people pronounce differently and we are able to change the phonetics so these are easily recognised the next time.</p> <p>Calls in the Welsh language go through to a dedicated member of staff.</p>

	<p>The benefits of the system are improved efficiency and the technology will allow us in the future to take calls and to deliver some services 24 hours a day.</p> <p>It also frees up our customer service advisors to deal with more complex calls from the public.</p>

Agenda Item 14.



Council – 24 October 2019

Notice of Motion from Councillors C A Holley, R C Stewart, L R Jones & P N May

Notice of Motion on Carbon Based Investments

We understand the great strides which our pension fund has made to divest from carbon based investments.

Congratulations are in order for the award which was announced in the Evening Post Monday 23rd September 2019 for the work carried out by Officers and the Members on the fund.

We therefore ask the Cabinet Member to report in the next 6 months to what action we are taking to remove ourselves from carbon based investments.