



Complete Agenda

Democratic Services
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

GOVERNANCE AND AUDIT COMMITTEE

Date and Time

10.00 am, THURSDAY, 17TH NOVEMBER, 2022

Location

Virtual Meeting

**** FOR PUBLIC ACCESS TO THE MEETING, PLEASE CONTACT US***

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(DISTRIBUTED 11/11/22)

GOVERNANCE AND AUDIT COMMITTEE

MEMBERSHIP (18)

Plaid Cymru (8)

Councillors

Menna Baines
Meryl Roberts
Huw Rowlands

Jina Gwyrfai
Medwyn Hughes
Vacant Seat

Elfed Wyn ap Elwyn
Paul John Rowlinson

Independent (4)

Councillors

John Brynmor Hughes
Richard Glyn Roberts

Angela Russell
Rob Triggs

Lay Member (6)

Hywel Eifion Jones
Mrs Clare Hitchcock
Mr Elwyn Rhys Parry
Mrs Sharon Warnes
Vacant Seat x 2

Ex-officio Members

Chair and Vice-Chair of the Council

A G E N D A

1. APOLOGIES

To receive apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

3. URGENT ITEMS

To note any items which are urgent business in the opinion of the Chairman so they may be considered.

4. MINUTES

4 - 10

The Chairman shall propose that the minutes of the meeting of this committee, held on 13th October 2022, be signed as a true record.

5. IMPLEMENTING THE DECISIONS OF THE COMMITTEE

11 - 14

To consider the report for information

6. PREMIUM ON THE COUNCIL TAX OF SECOND HOMES AND LONG-TERM EMPTY DWELLINGS

15 - 108

To consider the information in the report and the appendices in order to conclude if the risks have been mitigated

7. TREASURY MANAGEMENT 2022-2023 MID YEAR REVIEW

109 - 119

To consider the report for information

8. ANNUAL COMPLAINTS AND SERVICE IMPROVEMENT REPORT 2021/22

120 - 131

To consider the report and offer any relevant observations or suggestions

9. LOCAL GOVERNMENT AND ELECTIONS WALES ACT 2021 - SELF-ASSESSMENTS

132 - 154

To consider the contents of the draft document for 2021/22 and propose any comments and recommendations.

10. AUDIT WALES REPORTS

155 - 192

To consider and accept the reports

Agenda Item 4

GOVERNANCE AND AUDIT COMMITTEE 13-10-2022

Present:

Councillors: Menna Baines, Paul Rowlinson, Jina Gwyrfai, Elfed Wyn ap Elwyn, Angela Russell, Richard Glyn Roberts and Rob Triggs

Lay Members:

Sharon Warnes (Chair), Hywel Eifion Jones, Clare Hitchcock and Rhys Parry

Officers:

Dewi Morgan (Head of Finance Department), Ffion Madog Evans (Senior Finance Manager), Caren Rees Jones (Group Accountant - Capital and Management) and Lowri Haf Evans (Democracy Services Officer)

Others invited:

Councillor Ioan Thomas (Cabinet Member for Finance)
Iwan Evans (Head of Legal Services)
Vera Jones (Democracy and Language Services Manager)

1. APOLOGIES

Apologies had been received from Councillors John Brynmor Hughes, Medwyn Hughes, Huw Rowlands and Meryl Roberts

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note.

4. MINUTES

The Chair signed the minutes of the previous meeting of this committee, held on 8 September 2022, as a true record.

In response to the comment submitted at the previous meeting regarding including a standing item on the agenda of every committee meeting, providing an update on matters raised for Members as well as implementing the decision, the Monitoring Officer noted that there was no legal requirement to have matters arising as a statutory item on the agenda. He reiterated that he would discuss with the Head of Finance how to address the committee's wish to receive updates on decisions and it was suggested that a short report would be acceptable, instead of an open item.

5. LOCAL GOVERNMENT AND ELECTIONS (Wales) ACT 2021

- a) A report was submitted by the Head of Legal Services (Monitoring Officer) noting, following Royal Assent, that the provisions of the Local Government and Elections

(Wales) Act 2021 had now come into force and although some elements of the Statutory Guidance are to be published, it will not be expected for these to divert significantly from the drafts consulted upon. In response to the requirements of the Act, reference was made to the work programme that had already been set within the Council's Corporate Risk Register with the Governance and Audit Committee keeping an overview and assurance on the actions required to act upon the provisions.

Reference was made to three work fields, the Public Participation Strategy, the Petitions Scheme and Constitution Guidelines, which need to be moved on by conducting a consultation process.

Thanks were expressed for the report.

- b) In response to a question regarding the Council's right to choose a Majority Voting or Single Transferable Vote (STV) procedure, and considering that Gwynedd, in the 2022 election, had the highest number of Councillors elected unopposed, the Monitoring Officer noted that this was an opportunity for Gwynedd to decide how to respond to the choice. He reiterated that adapting the current process would include a detailed review of the situation, that would likely include a review of boundaries, substantial procedural adaptation and consultation as statutory elements. The choice before members was to consider commencing the process or not - there would be a need to come to an opinion on how to deal with the option.

In response to a supplementary question, from the response of other Authorities to the matter, he expressed that other Authorities were in a similar position of considering opening discussions.

In response to the question on appointing Lay Members, it was expressed that the process was now a continuous one. It was accepted that there were two vacant seats on the Committee and in response, it was noted that despite the second advertisement, that no interest had been shown. It was reiterated that the posts would remain open and the closing date would be extended and the Members were encouraged, if they knew of anyone who was interested, to refer the name to the Head of Finance.

In response to a question regarding the features of the Participation Strategy, it was noted that there now was a statutory duty to encourage participation with decisions that had been made and that this was being implemented by sharing information on the website, such as decision notices and forward work programmes. The aim was to create a procedure that addressed the duty, without being a burdensome system.

In response to an observation about the consultation process, and that this was to be welcomed, a Member highlighted that there was a need to avoid undermining the democratic process. He noted that Members had been elected to represent the population and he expressed concern that the procedures could overtake the democratic process. In response to the comment, the Monitoring Officer noted that the consultation process should support the Democratic process - the role of Members was to take responsibility for functions and so the consultative role should be supportive of these considerations.

- c) It was proposed and seconded to accept the report

RESOLVED:

1. **To accept the report**
2. **To accept the progress on the Work Programme**

3. Request for a further update to Committee in February 2023

6. CAPITAL PROGRAMME 2022/23 - END OF YEAR REVIEW (POSITION AS AT 31 AUGUST 2022)

- a) Submitted - a report at the request of the Cabinet Member for Finance, Councillor Ioan Thomas. The main purpose of the report was to present the capital programme (position as at the end of August 2022), as well as approve the relevant funding sources. Contrary to the usual procedure, the Committee was asked to scrutinise the information before it was submitted for Cabinet approval on 25 October 2022.

Reference was made to an analysis per Department of the £136.3 million capital programme for the 3 years from 2022/23 - 2024/25, as well as the sources available to fund the net increase which are approximately £10.1 million since the original budget.

The Senior Finance Manager reiterated,

- that the Council had definitive plans in place to invest around £79.8 million this year, with £21.1 million (namely 27%) of this funded via specific grants.
- that the impact of recent financial challenges continued on the capital programme and that only 11% of the budget had been spent up to the end of August 2022, compared with over 16% for the same period in 2021 and 13% in 2020.
- that £12.1m of proposed expenditure had been re-profiled from 2022/23 to 2023/24 and 2024/25 with the main schemes including, £5.1 million for Schools Schemes - Sustainable Learning Communities and Others, £3.0 million for Flood Prevention Schemes and £1.6 million for the Penygroes Health and Care Hub.

Attention was drawn to the list of additional grants that the Council had managed to attract since the previous period, which included the Free School Meals Capital Grant, Sustainable Learning Communities Grant - Schools Community Use, Road Safety Capital Grant from the Welsh Government and the Wales Voluntary Action Council (WVAC) Grant towards rural schemes.

Gratitude was expressed for the concise and clear report

- b) In response to a question regarding an increase in borrowing, it was noted that this was the first review since the end of March 2022, and that an increase existed as a result of slippages, with a decision awaited regarding the re-profiling.

In response to a question about the harmful impact on the delay of the Flood Prevention Schemes, it was noted that a number of discussions were being held between Ymgynghoriaeth Gwynedd Consultancy and Welsh Government on this matter, since a number of plans were in place and that this was a figure to protect the work.

- c) It was proposed and seconded to accept the report

RESOLVED:

To accept the report and note the situation and relevant risks in the context of the Council's capital programme

7. REVENUE BUDGET 2022/23 - END OF AUGUST 2022 REVIEW

- a) Submitted - the report of the Cabinet Member for Finance, Councillor Ioan Thomas, requesting that the committee scrutinises the position and relevant risks in the context of the Council's budgets and its departments, and submit observations to the Cabinet for approval on 25 October 2022.

The Cabinet Member for Finance set out the context for the report, noting the following:-

- That the Adults, Health and Well-being Department was overspending, which is a combination of factors, including the failure to realise savings
- That the Economy and Community Department was seeing the impact of increasing energy costs
- That the Highways and Municipal Department was highlighting the lack of realising savings in the field of waste
- That the Housing and Property Department was seeing an impact in the homelessness field as a result of an amendment to Covid-19 legislative arrangements
- That it was intended to look at school balances to fund the overspend anticipated on electricity costs this year as the schools had saved energy over the Covid period

The Senior Finance Manager referred to a summary of the final position of all departments and highlighted the fields where there had been significant differences. Attention was drawn to the impact of the increase in inflation, particularly the costs of electricity, which were above the budget and to be seen most prominently in the Education, Highways and Municipal, and Economy and Community Departments - on the leisure centres of Cwmni Byw'n Iach.

- In the context of Covid, although the impact was not as substantial in 2022/23 in comparison with the two previous years, the additional costs, income losses and slippages on savings schemes as a result of Covid, continued in some fields.
- The Adults, Health and Well-being Department - anticipated overspend of £1.9 million this year, this being a combination of factors, including a failure to realise savings to the value of £930k. Very obviously this year, pressure was seen on supported accommodation and direct payment packages, as well as staffing costs and a lack of income in the Community Care field.
- Education Department - an overspend of £1.3m was anticipated as a result of the impact of higher electricity costs for a six-month period from October 2022 onwards at the schools. Considering that the schools had already benefited from almost a million in energy savings which had derived from Covid and the associated lockdowns, it was therefore considered appropriate to use school balances to fund the additional pressures this year.
- Byw'n Iach - as a result of the impact of Covid, the company received financial support from the Welsh Government's hardship fund (to the value of £1.4 million in 2021/22 and £2.7 million in 2020/21). Such support was not available from the Government this year, but the impact of Covid was continuing in 2022/23 and was disrupting the ability to generate income. As a result, the Council confirmed necessary financial support to sustain Byw'n Iach services by extending the period of assurance given to the Company up to the end of 2022/23, which was £842k this year.
- Highways and Municipal Department - annual trend of overspend in the municipal field continued, with the most prominent problems in the waste collection and recycling field. The department was also experiencing difficulties to realise savings to the value of £533k.
- Housing and Property - the implications of legislative changes relating to Homelessness leading to substantial financial pressures. Although an allocation of

£1.5m from the Council's post-Covid arrangements fund was provided to assist the situation, a net overspend of £3.2 million is anticipated this year.

- Corporate - prudent projections when setting the 2022/23 budget responsible for additional taxation output and contributing to the underspend on Council Tax Reductions - a reduction in the number of claimants. The latest increase in interest rates means that the projections of receiving £1.1 million interest is more favourable.

It was reported that use would need to be made of the Council's reserves and School balances to fund the £7.1 million financial deficit anticipated for 2022/23. An explanation was given of two of the Council's reserve funds, namely 'Balances' (reserve funds not earmarked), and 'Funds' (money in specific funds for specific purposes that can protect and assist with the future's challenges).

Given the significant overspend anticipated by the Adults, Health and Well-being Department and the Highways and Municipal Department, to note the Chief Executive's intention to call a meeting of relevant officers in order to get to the root of the overspend. The intention was to ensure that definitive steps were taken in an attempt to bring the situation under control by the end of the financial year, and to report to Cabinet on the response plan.

Gratitude was expressed for the detailed and clear report.

- b) During the ensuing discussion, the following observations were made by members:
- That inflation was the big enemy - the recommendations to deal with a difficult situation were wise
 - That the homelessness situation was commonplace across the country - a call was made to lobby the government to fund the costs of legislative amendments
 - That the balances could only be used as a one-off - this needed to be considered when setting the budget for 2022/23
 - That the existing economic position placed additional pressure on the Council - there would be a need to search for solutions when setting the budget
 - That schools should not be placed under pressure to reach an arbitrary point when forward planning
 - To accept an update on interest returns at the next meeting
 - That the reasons for the ongoing overspending of the Highways and Municipal Department should be scrutinised
 - That there was a need to submit a progress report / action plan to the Committee in response to the discussions between Highways and Municipal and the Chief Executive, as well as the response to the recommendations received from WRAP Cymru
 - A suggestion to draw up a timetable / work programme of the Council's savings realisation scheme - this would be a means to present the information needed to better understand the situation
- c) In response to a question regarding using the second homes premium to address the increase in costs in the homelessness field, it was noted that this would need to be considered when planning for 2022/23.

In response to a question regarding challenging the Byw'n Iach Service to consider savings and hold discussions on reducing costs, it was reported that the company had a savings scheme for 2022/23 and that a bid application had been submitted.

In response to the proposal to use school balances to fund the increase in electricity prices at the schools, it was noted that the schools' balances had increased immensely over the past two years and that due to the increase in grants and profit from energy

savings - therefore it would be appropriate to use this year's balances to assist with the funding of energy costs.

DECISION:

- 1. To accept the report and note the situation and relevant risks in the context of the budgets of the Council and its departments.**
- 2. Agree with the recommendation for the Cabinet to use:**
 - **School Balances to fund the increase in electricity prices in schools**
 - **£4.5 million from the post-Covid recovery arrangements fund established to fund the associated financial challenges that face the Council**
 - **The rest to be financed from the Financial Strategy Reserve.**
- 3. That a progress report of the actions is submitted to the Committee following discussions with the Chief Executive and the Highways and Municipal Department regarding the Department's overspend (the report to include a response to the recommendations submitted to the Department by WRAP Cymru).**

8. SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVINGS SCHEMES

- a) A report was submitted by the Cabinet Member for Finance, which summarised the Council's savings position. He asked the committee to note the situation and relevant risks in the context of the Savings Overview and offer observations on the situation for the Cabinet to consider as they approved the report on 25 October 2022. It was also explained that the departments had presented the savings schemes and that the finance officers were merely reporting on the situation.

The Senior Finance Manager reiterated:

- Since 2015/16, as part of the Council's financial strategy, savings to the value of £35.4m had been approved to be realised during the 2015/16 - 2022/23 period. It was noted that a total of £33.4 million of savings had been realised, which was 94% of the required amount over the period.
- That the impact of Covid seemed to have contributed to the slippage in the savings programme in some fields.
- The main schemes that were yet to be achieved were schemes those in the Adults, Health and Well-being Department and the Highways and Municipal Department.
- That there was a need, when preparing the 2022/23 budget, to acknowledge that the situation had changed so much that there was no way to achieve the savings that had been planned originally, and therefore, almost £500k of plans were removed from the budget and the delivery profile was moved for plans to the value of £1.3 million for 2023/24 and subsequent years.
- That it was inevitable that realising savings to the value of £33.4m (out of a total of £35.4 million) since April 2015, had been challenging. With a delay and risks to delivering some of the remaining schemes, there was a need to review the plans by the end of the financial year.

Gratitude was expressed for the report and it was expressed that the positive elements in the report needed to be congratulated -

- b) During the ensuing discussion, the following observations were made by members:
- That 94% of the schemes had been completed - this was encouraging
 - That the departments themselves had proposed the savings and they were not something that had been forced on them
 - That some of the schemes were historical

- That pressure needed to be placed on those departments that were unable to achieve savings to reconsider plans or plan again
- That there was a need to encourage more detailed information - if there was no movement on schemes, then better schemes were needed
- When planning new savings, there was a need to consider elements that were beyond control - the impact of making cuts today leading to greater expenditure in the future, e.g. road maintenance
- Suggestion to highlight clearly that appendix 4 features slipping savings
- That savings schemes needed to be challenged in more detail in the future
- Eager for plans that were slipping schemes to be addressed and be scrutinised

- c) In response to a question regarding the intention to set more ambitious targets for the departments to contribute to the savings scheme, it was noted that this will be inevitable and that work is underway to develop an appropriate procedure. It was reiterated that different processes had been followed to meet the savings to date and that difficult decisions would need to be made in the future.

In response to a comment regarding a £25,000 slippage (Finance Department - delay to a 'Generating Income through Fraud Prevention' plan), the Head of Finance highlighted that the scheme had been established and staff had been trained in the field, but that the Covid period had prevented formal interviews from being held and so the scheme had not commenced. It was reiterated that this was slippage and not a failure and unless it would be possible to deliver in the future, then alternative arrangements would need to be considered.

In response to a comment that the waste field was transferring to the Environment Department and whether this was going to recommence the process of responding to the savings scheme, it was noted that the Environment Department was aware of the need to realise the savings and that discussions had been held between both departments to ensure that the effort to deal with the financial situation continued.

RESOLVED:

- 1. To accept the report and note the situation and relevant risks in the context of the Savings Overview**
- 2. To recommend to the Cabinet that detailed challenge is required on unrealised schemes - need to ensure regular review of those schemes that are slipping and refer the schemes to the relevant Scrutiny Committees' work programme.**

The meeting commenced at 10.00 and concluded at 11.50

CHAIR

Agenda Item 5

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	17 NOVEMBER 2022
TITLE	IMPELEMENTING THE DECISIONS OF THE COMMITTEE
PURPOSE OF REPORT	TO PRESENT AN UPDATE ON IMPLEMENTING THE COMMITTEE'S PREVIOUS DECISIONS
AUTHOR	DEWI MORGAN, HEAD OF FINANCE
ACTION	FOR INFORMATION

1. INTRODUCTION

- 1.1 The purpose of this report is to outline how Council departments have responded to the decisions of the Government and Audit Committee, so that members can receive assurance that their decisions are being addressed.
- 1.2 This contributes to reassuring members that the Council's governance is operating effectively.
- 1.3 This item is an opportunity for all members of the Governance and Audit Committee to consider the decisions made. Where the action has been completed, or where further action was not necessary, it is suggested that the line be removed from the table after the Committee has considered the matter.

2. DECISIONS SINCE ESTABLISHING THE NEW COUNCIL (MAY 2022)

Meeting of 30 June 2022

Item	Decision	Update
ELECTION OF CHAIR FOR 2022-23	To elect Mrs Sharon Warnes as Chair of the Committee for 2022-23	Implemented immediately – no further action
ELECTION OF VICE-CHAIR FOR 2022-23	To elect Mr Eifion Jones as Vice-chair of the Committee for 2022-23	Implemented immediately – no further action
FINAL ACCOUNTS 2021/22 – REVENUE OUT-TURN	To accept the report To note the relevant risks To support the Cabinet's decision (14 June 2022) Note: Suggest that issues of overspending and realising savings in the Municipal field are scrutinised. Propose to refer the suggestion to the Language and Scrutiny Unit for Members of the Communities Scrutiny Committee to consider as a potential field to scrutinise at their annual workshop.	At the Communities Scrutiny Committee's annual workshop on 6 July 2022 we considered potential items for scrutiny during 2022/23. This issue has not reached the Committee's programme of work for 2022/23.

Item	Decision	Update
CAPITAL PROGRAMME 2021 - 22 - END OF YEAR REVIEW (situation as at 31 March 2022)	To accept the report To note the relevant risks To support the Cabinet's decision (14 June 2022)	No further action
FINAL ACCOUNTS OF GWYNEDD HARBOURS FOR THE YEAR ENDING 31 MARCH 2022	To accept the report. To approve: <ul style="list-style-type: none"> • Revenue Income and Expenditure Account 2021/22 • Annual Return for the year ending 31 March 2022, subject to audit by Audit Wales 	No further action
GWYNEDD COUNCIL'S ANNUAL GOVERNANCE STATEMENT FOR 2021-22	To accept the report To approve the statement To recommend that the Council Leader and the Chief Executive sign the statement Note: A suggestion to establish a sub-group to review the risks and challenge the headings	The proposal has been discussed by the Governance Group. It was suggested that the Committee Chair would be invited to attend some of the Group's meetings as an alternative solution. The Chair attended a meeting on 10 November.
TREASURY MANAGEMENT 2021/22	Accept the report and note the information	No further action
OUTPUT OF THE INTERNAL AUDIT SECTION	To accept the information To support the actions that have already been agreed with the relevant service	No further action
ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2021-22	To accept the annual report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2021/22 financial year	No further action
INTERNAL AUDIT CHARTE	To accept the report and approve Internal Audit Charter	No further action
INTERNAL AUDIT STRATEGY AND THE ANNUAL AUDIT PLAN 2022/23	To accept the report To approve the Strategy and the Internal Audit Plan 2022/23 Note: Psychological Safety Audit - the Committee recommends, as part of the discussions with the Corporate Support Department, the need to adopt a procedure of holding exit interviews.	The audit has not yet started, but exit interviews are also receiving attention from the Workforce Planning Project Board
WALES AUDIT REPORT - QUARTER 4 UPDATES	To accept the report and note the information	No further action

Item	Decision	Update
2022 AUDIT PLAN - GWYNEDD COUNCIL AND VARIOUS JOINT COMMITTEES	To accept the report and note the information	No further action
RECOMMENDATIONS AND IMPROVEMENT PROPOSALS OF EXTERNAL AUDIT REPORTS	That the Committee is satisfied that appropriate arrangements are in place to ensure that improvement proposals which arise from external audit reports are implemented Note: Request to review the key to the conclusions and set a timetable for the reports that are 'in progress'	This will be addressed by the next time the report is submitted

Meeting of 8 September 2022

Item	Decision	Update
STATEMENT OF ACCOUNTS 2021/22	To accept and note the 2021/22 Statement of the Council's Accounts (subject to audit).	No further action
AUDIT WALES REPORT	To accept the report	No further action
THE COMMITTEE'S FORWARD PROGRAMME	To accept the report, noting the observations made during the meeting	No further action

Meeting of 13 October 2022

Item	Decision	Update
LOCAL GOVERNMENT AND ELECTIONS (Wales) ACT 2021	1. To accept the report 2. To accept the progress on the Work Programme 3. Request for a further update to Committee in February 2023	The item will be programmed to meet February
CAPITAL PROGRAMME 2022/23 – END OF AUGUST 2022 REVIEW	To accept the report and note the situation and relevant risks in the context of the Council's capital programme	No further action

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	17 NOVEMBER 2022
TITLE	PREMIUM ON THE COUNCIL TAX OF SECOND HOMES AND LONG-TERM EMPTY DWELLINGS
PURPOSE OF REPORT	TO SCRUTINISE THE INFORMATION THAT WILL BE PRESENTED TO THE CABINET
AUTHOR	DEWI MORGAN, HEAD OF FINANCE
ACTION	TO CONSIDER THE INFORMATION IN THE REPORT AND THE APPENDICES IN ORDER TO COME TO A CONCLUSION IF THE RISKS HAVE BEEN MITIGATED

1. INTRODUCTION – WHAT DOES THE GOVERNANCE AND AUDIT COMMITTEE NEED TO DO?

- 1.1. A report will be submitted to the Council's Cabinet on 22 November 2022. The purpose of this report is to seek a Cabinet recommendation to be submitted to the full Council on 1 December to make a decision on the level of the Council Tax Premium to be raised in 2023/24.
- 1.2. In the current financial year (2022/23) the Council raises the maximum amount allowed by legislation, which is an additional Premium of 100%. However, from 1 April 2023, the legislation will change and local authorities will have the powers to charge an additional Premium of 300%.
- 1.3. In order to address how the Council should respond to the new legislation, there are a number of steps that must be taken and statutory guidance that needs to be followed. A copy of the statutory guidance is included in Appendix 1.
- 1.4. In addition to the technical requirements of the Local Government Finance Act 1992, the Council needs to take due and proper consideration of the requirements of various laws which include (but are not limited to) the Equality Act 2010 and the Well-being of Future Generations (Wales) Act 2015.
- 1.5. The Governance and Audit Committee is statutorily required to review and scrutinise the Council's financial matters, and that includes ensuring that the Council acts appropriately and manages its risks.

- 1.6. The role of the Committee is not to come to a conclusion on the what the level of the Premium should be, but to ensure that Cabinet and Council are clear of the facts that are presented to it, so that the decision that is taken is done so on sound information.
- 1.7. The Governance and Audit Committee is expected to satisfy itself that the evidence that has been collected, which is presented in this report and its appendices, is sufficient to allow the Cabinet and Council to be able to reach a reasonable decision on the basis of the information that is to be presented to them.
- 1.8. For example:
 - Does the information clearly clarify the statutory requirement ?
 - Is the Equality Impact Assessment suitable?
 - Has the Council consulted with stakeholders in an appropriate manner?
 - Is the report clear about the implications of the decision sought?
 - Are the risks clear?

2. BACKGROUND

- 2.1. In accordance with the requirements of the Local Government Finance Act 1992, the Council must make an annual decision if it is to levy a Premium on the Council Tax on long-term empty properties and second homes ("periodically occupied dwellings"). Without a decision, there would be 50% discount on the Council Tax of such properties.
- 2.2. While the final decision on the Council Tax discount or premium, and the level of discount or premium, must be made by the full Council, in accordance with the Council's Constitution, the Cabinet needs to make a recommendation to the full Council.
- 2.3. For financial years 2021/22 and 2022/23, the Council has raised a Council Tax Premium of 100%, which is the highest allowed under the law for these financial years. Legislative changes mean the Council can charge a Premium of up to 300% from 1 April 2023.

3. INTRODUCTION

- 3.1. The Local Government Finance Act 1992 provides the Council with the discretion to charge full Council Tax, allow a discount of up to 50%, or to charge a Premium of up to an additional 100% on the Council Tax of certain classes of second homes and long-term empty properties.
- 3.2. The Council has resolved annually since 1998 to allow NO discounts to second homes.
- 3.3. The Council has resolved annually since 2009 to allow NO discounts in respect of properties that have been empty for 6 months or more.
- 3.4. Section 139 of the Housing (Wales) Act 2014 added Sections 12A and 12B to the Local Government Finance Act 1992 to include a discretionary right for Councils to raise an additional “Premium” of no more than 100% on dwellings that have been empty for 12 months or more (Section 12A) and relevant second homes (Section 12B).
- 3.5. On 8 December 2016, the Council resolved to raise a Premium of 50% on the Council Tax of relevant second homes and long-term empty dwellings, to be implemented from 1 April 2018. On 4 March 2021, the Council resolved to increase the Premium 100%, which is the maximum level allowed by legislation, for the 2021/22 financial year, and on 2 December 2021 it resolved to maintain the Premium level at 100% for 2022/23.
- 3.6. The *Council Tax (Long-term Empty Dwellings and Dwellings Occupied Periodically) (Wales) Regulations 2022 (SI 2022/370 W.90)* have amended Sections 12A and 12B of the 1992 Act giving billing authorities the power to raise a Premium of up to 300% on the Council Tax of second homes and long-term empty dwellings for the 2023/24 and subsequent financial years.
- 3.7. To enable it to make a recommendation at its meeting on 22 November 2022, Cabinet resolved on 27 September 2022 that it would hold a public consultation in order to obtain public opinion on how the change in the Act should be responded to. The consultation period has concluded, and the purpose of this report is to present the results of the consultation, as well as other relevant considerations, so that Cabinet can weigh up the feedback that has been received before deciding on a recommendation to be presented to the full Council.
- 3.8. The results of the public consultation are included in Part 5 of this report.

4. RELEVANT CONSIDERATIONS

Context

- 4.1. The terminology used in Section 12B is not “second homes” or “holiday homes” but rather “dwellings occupied periodically”. The Act states that the conditions for a property to be subject to a “second home” Council Tax premium is, “***there is no resident of the dwelling, and the dwelling is substantially furnished***”. That is, the property is not anyone’s main home, but it has been furnished. The Act does not include any provision to be able to distinguish on the basis of where the owner lives, or if it is used for the purposes of holidays.
- 4.2. For the purposes of collecting Council Tax, *The Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998 (SI 1998/105)* have categorised 'second homes' into two classes, namely classes A and B. Class C refers to empty properties:
- **Class A** – Second homes which are unoccupied and furnished, with a restriction on occupancy for a period of at least 28 consecutive days in any 12 month period.
 - **Class B** – Second homes which are unoccupied and furnished.
 - **Class C** – empty and unfurnished properties, and have been such for a period of over 6 months.
- 4.3. A “resident” in relation to any dwelling means an individual who has attained the age of 18 years and has his sole or main residence in the dwelling (Section 6(5)) Local Government Finance Act 1992).
- 4.4. As a result of the changes that came into force as a result of the Housing (Wales) Act 2014, the matter was considered by the Full Council on 8 December 2016, which resolved to raise a Premium of 50% on class B second homes and on class C long-term empty properties (empty for 12 months or more) in 2018/19.
- 4.5. All background papers in relation to the first determination to raise a Premium are to be found on the Gwynedd Council website:
- <https://democracy.cyngor.gwynedd.gov.uk/ielistdocuments.aspx?cid=130&mid=1656&ver=4>
- 4.6. On 4 March 2021 the Council decided that it would increase the level of premium to 100% on relevant properties. All background papers in relation to this decision can be found on Gwynedd Council's website:
- <https://democracy.gwynedd.llyw.cymru/ielistdocuments.aspx?cid=130&mid=4215&ver=4>

- 4.7. The Local Government Finance Act 1992 states that any determination with regards to Section 12, 12A and 12B must be made annually, by the full Council.
- 4.8. The financial strategy for 2022/23, and the Council's grant settlement from the Welsh Government, is based on continuation of the policy to allow NO discounts, and any change to that policy would need to be funded by the Council in 2022/23.
- 4.9. The regulations for setting the tax base have been written so that a decision to raise a Premium does not effect the Council's grant settlement from the Welsh Government.
- 4.10. On 9 November 2022 there were:
- **4,564** dwellings subject to the Premium on second homes (Class B)
 - **229** of further second homes in Class B but not paying the Premium as they were subject to one of the exemptions outlined in Part 8 below.
 - **753** properties within Class A where the possession is prohibited for a period of at least 28 days in the relevant year.
- 4.11. At the same time, **1,099** properties were subject to the Premium on a long term empty dwelling.

Statutory Requirements

- 4.12. When giving councils powers to raise a Premium (originally up to 100% and then up to 300%) on the Council Tax of second homes and long-term empty dwellings, the Welsh Government published statutory guidance, *Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales*. A copy of the Statutory Guidance is found in Appendix 1.
- 4.13. Paragraphs 20 to 22 of the Guidance outline what a local authority needs to consider when planning to introduce a Premium. These were considered in detail in 2016 when Gwynedd Council decided to introduce a 50% Premium on second homes and long-term empty dwellings, and then every year when coming to a decision on the Premium for the following year. If Cabinet decides to recommend an increase in the level of premium it will need to consider the following again, and how the evidence collected achieves the following.

20. The discretion given to local authorities to charge a premium is intended to be a tool to help local authorities 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.**

21. In considering whether or not to charge a premium, regard should be given to these aims. Authorities should take into account the particular housing need and circumstances in their area.

22. There are a range of factors which could help inform local authorities in deciding whether to charge a premium. Whilst some factors will be specific to either long-term empty homes or second homes, others will be common to both. A list of these factors is set out below to assist local authorities. It is not intended to be exhaustive.

- **Numbers and percentages of long-term empty homes or second homes in the area;**
- **Distribution of long-term empty homes or second homes and other housing throughout the authority and an assessment of their impact on property values in particular areas;**
- **Potential impact on local economies and the tourism industry;**
- **Patterns of demand for, and availability of, affordable homes**
- **Potential impact on local public services;**
- **Potential impact on the local community;**
- **Other measures that are available to authorities to increase housing supply;**
- **Other measures that are available to authorities to help bring empty properties back into use.**

4.14. When introducing of the 50% Premium, particular attention was paid to two studies. Firstly, a detailed analysis undertaken in 2013 supported the introduction of a premium, whilst also noting a need for action to control / block the transfer of second homes being commercial holiday lets subject to non-domestic rates. The document included a detailed analysis supporting the Council's position that it should be given the right to raise a Premium on second homes. The outcome of this analysis was shared with members at the time, and was a key consideration in making the decision to raise a Premium on second homes.

4.15. Similarly, the Housing Strategy 2013-17 addressed empty properties within Gwynedd, and the Empty Homes Strategy's mission statement was: "Gwynedd Council will endeavour to bring empty properties back into use. Our aim is to contribute to the well-being of neighbourhoods, increase the supply of housing, reduce homelessness or the possibility of homelessness, while at the same time reducing the pressure on the Housing Waiting List".

4.16. The Council has now adopted a new Housing Strategy (full Council, 18 July 2019), and three key reports have been addressed by Cabinet in December 2020 and June 2021:

15 December 2020

Holiday Homes Research Work

Housing Action Plan

15 June 2021

Second Homes – Developing New Policies in Wales

4.17. The above is key evidence when considering if there is justification for changing the current level of the Premium.

Second Homes

Holiday Homes Research Work

4.18. The outcome of the Holiday Homes Research Work provides a background of the current situation in Gwynedd in terms of "holiday homes", and the combined effect of second homes and self-catering holiday units on Gwynedd society:

Cabinet Report:

<https://democracy.gwynedd.llyw.cymru/documents/s27960/Item%208%20-%20Report%20Holiday%20Homes.pdf>

Appendix – Research:

<https://democracy.gwynedd.llyw.cymru/documents/s27959/Item%208%20-%20Appendix%20-%20Holiday%20Homes%20Research%20Work.pdf>

4.19. This research was approved by Cabinet for submission to the Welsh Government. The decision was made "in light of the need to obtain better control of houses being taken out of the supply available for local people, and thus benefit local residents first".

4.20. The research considered "holiday homes" as a combination of second homes and self-catering holiday units. The study highlighted the high number of dwellings used within Gwynedd for holiday purposes, with over 4,800 re-homes and around 2,000 self-catering holiday units (November 2020):

	Gwynedd	Cymru
Number of residential units	61,645	988,418
Number of second homes	4,873	18,547
Total holiday accommodation (nondomestic business units)	1,976	6,906
Combined total	6,849	25453
Combined percentage of holiday homes	10.76%	2.56%

Source: Holiday Homes Research Work, December 2020

- 4.21. Over 1 in 10 residential units in Gwynedd are holiday accommodation with 8% being second homes. Self-catering holiday units are not subject to the Council Tax regime as they have transferred to the non-domestic rating list, and more attention is given to these properties in Part 8 of this report.
- 4.22. As the Holiday Homes Research notes, since the introduction of a council tax premium on second homes in 2018 and the introduction of the rates relief scheme for eligible self-catering holiday accommodation units paying the non-domestic rates, the number of second homes has gradually decreased with the number of properties paying non-domestic rates gradually increasing.
- 4.23. However, legislative changes that will take effect in April 2023 are expected to likely slow this transition. More details on this can be found in Part 6 below.

Second Homes: Developing new policies in Wales

- 4.24. In March 2021 a comprehensive report titled "Second Homes – Developing New Policies in Wales" (author Dr Simon Brooks) was published in response to a commission by the Coleg Cymraeg Cenedlaethol and the Minister for Mental Health, Wellbeing and the Welsh Language in the Welsh Government. A copy of the report can be found here:

[Second Homes: Developing new policies in Wales](#)

- 4.25. Dr Brooks' report contains 12 recommendations and on 15 June 2021 Cabinet discussed the Council's response to the report:

[Cyngor Gwynedd's Response to the report "Second Homes: Developing new policies in Wales"](#)

- 4.26. The Cabinet's decision was as follows:

“To agree the Council's response to the report "Second Homes - Developing New Policies in Wales" as set out in part 9 of this report and in particular highlighting the need to modify recommendation number 7 - Short-term Holiday Accommodation and Business Rates.

The Leader agreed to formally communicate the response to the Welsh Government and call on them to adopt and implement the most effective recommendations as a matter of urgency in order to respond to the housing crisis facing the communities of Gwynedd”.

Empty Dwellings

- 4.27. Since the Premium was first introduced in 2018 Gwynedd Council has raised the same meeting on second homes and long-term empty properties. One of the reasons for this was the practicality of keeping an overview of the properties that are furnished and those that are not (which is the practical difference between the two types of properties).
- 4.28. However, some billing authorities in Wales charge a different rate of Premium on long-term empty properties and second homes, and this is also an option in Gwynedd.
- 4.29. It should also be noted that a total of 1,099 long-term empty properties, while relatively low compared to the number of second homes within Gwynedd, is a high figure when considering the demand for affordable homes within the county and this is recognised in the Housing Strategy. According to Stats Wales, estimates suggest that Gwynedd is 5th out of the 22 local authorities in Wales in terms of a number of long-term empty properties.
- 4.30. In comparison with the second homes and properties that have transferred, it is seen that the long-term empty properties within Gwynedd tend to be in lower Council Tax bands than gwynedd properties as a whole; it is particularly seen that over 20% of them are in Band A, compared to less than 15% of the overall stock.

Housing Strategy 2019-2024

- 4.31. The Council adopted its Housing Strategy 2019-2024, "Homes for People in Gwynedd" in July 2019:

<https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Strategies-and-policies/Housing/Strategaeth-Tai-v29-Terf-English.pdf>

- 4.32. The Strategy notes the vision of “Ensure that the people of Gwynedd have access to a suitable Home of a high standard that is affordable and improves their quality of life.”. The Strategy notes the following on empty homes: “*We have identified approximately 1,300 empty houses across the County. These are houses that have been empty for some time and their condition can be very poor. This is a waste of a Resource when you consider that nearly 2,000 people are on the Council's waiting list. We believe that the list of empty houses is not complete, and efforts need to be increased to find them and return them into use as homes for our residents*”.

Housing Action Plan

4.33. There is a high number of long-term empty dwellings in Gwynedd compared to other counties of the same size. The Housing Action Plan translates the Strategy into specific projects to address the situation and one of these is to provide financial support to 250 local first-time buyers that will assist them to buy and renovate empty homes.

Cabinet Report:

<https://democracy.gwynedd.llyw.cymru/documents/s27956/Item%206%20-%20Housing%20Action%20Plan.pdf>

Action Plan:

<https://democracy.gwynedd.llyw.cymru/documents/s27957/Item%206%20-%20Appendix%20A%20-%20Housing%20Action%20Plan.pdf>

5. PUBLIC CONSULTATION

5.1. It was explained to the Cabinet in September 2022 that the statutory guidance, *Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales*, also notes:

23. The determination by a local authority to charge a premium under section 12A or 12B of the 1992 Act must be made by full Council. Prior to doing so, a local authority must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011 and to all other relevant considerations. A local authority should also give consideration to engagement and consultation with key stakeholders, including the local electorate, before taking a decision as to whether or not to charge one or both of the premiums.

5.2. The *LimeSurvey* software usually used by the Council was used to produce a questionnaire. The public consultation was launched on 30 September 2022 and it was open until 28 October 2022. Press releases resulted in a number of press and media articles and items. Messages started to be published on social media at the same time to promote the consultation. A second press release was issued in October in good time before the deadline, and there have been several reminders on the Council's Facebook and Twitter accounts.

Social Media and Mailing

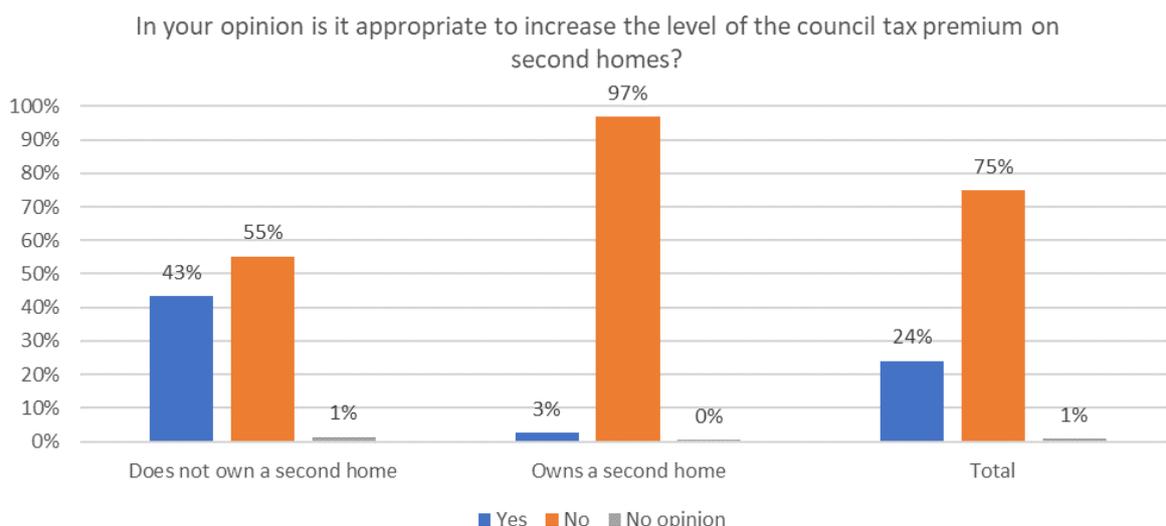
- 5.3. To ensure that awareness of the consultation was as wide as possible, on 29 September a letter was sent to owners of all second home and long-term empty properties informing them of the consultation; where there was a correspondence address on the Council Tax system that differed from the address of the property in question, the correspondence address was used.
- 5.4. We are therefore confident that reasonable efforts have been made to raise awareness amongst the people of Gwynedd and owners of second homes and long-term empty properties to inform them of the consultation so that they can respond, and that this is evidence that a clear effort has been made to engage with key stakeholders.
- 5.5. It is not possible to include a checking facility that would ensure that an individual could only express an opinion once. It is important to note that this exercise is not a public vote or referendum but rather a consultation exercise designed to gather the views of the full-time residents of Gwynedd as well as owners of dwellings occupied periodically and long-term empty dwellings on ongoing issues. That is, a crude account of the solutions for and against increasing the Premium will not be the main factor that will need to be considered, but nevertheless the figures below give Cabinet members a sense of the number and direction of responses.
- 5.6. It is a fundamental principle that any consultation is carried out when the proposals are formulated and that the results of the consultation are taken into account conscientiously in reaching a position. Therefore, in making its recommendation, Cabinet will need to give due consideration to the issues and concerns contained in the consultation responses, so that there is a full picture of the issues that have been drawn to its attention.
- 5.7. The Research and Information Team has made considerable efforts since the consultation closing date on 28 October to analyse the results. The full outcome of their work can be found in Appendix 2.

The Number of Responses

- 5.8. A total of **7,330** responses were received to the questionnaire. There were 7,277 online questionnaire responses and 53 paper responses. This is the largest number of responses the Council has seen to any consultation in recent years.
- 5.9. Of the respondents, 3,518 (48.0%) stated their main home was in Gwynedd, and 2,690 (36.7%) stated their main home was outside Gwynedd.
- 5.10. Of the respondents:
- 3,646 (49.7%) said that they did not own a second home or a long-term empty dwelling
 - 3,447 (47.0%) said they owned a second home
 - 201 (2.7%) said they owned a long-term empty dwelling
 - 36 (0.5%) said they owned a second home and a long-term empty dwelling
- 5.11. Just over half of respondents, therefore, (50.3%) owned either a second home or a long-term empty dwelling in Gwynedd (or both).

Analysing the Results – Second Homes

- 5.12. In total, over half of respondents (58.7%) thought that second homes were currently having a positive impact on local communities, while 27.7% thought they were having a negative impact, with 8.2% thinking they were having no impact. 5.4% of respondents had no opinion on this.
- 5.13. However, by looking at differences between respondents who own a second home and those who do not, a significant difference in opinion is seen, with 80.5% of respondents who own a second home thinking that second homes currently have a positive effect on local communities, while around 40% of respondents who do not own a second home or long-term vacant property are of this opinion.
- 5.14. A key question in the consultation was ***Currently the Council Tax Premium on second homes is 100%. The Council is considering whether to increase the level of the Council Tax Premium. Do you think this is appropriate?***



5.15. In total, 75% of respondents considered it not appropriate to increase the level of Council Tax Premium on second homes. 24.1% thought it appropriate to increase it, with 0.9% not having an opinion.

5.16. However, by separating the answers between respondents who own a second home and those who do not there is some difference of opinion, with the overwhelming majority of respondents who own a second home opposing increasing the premium level. Among respondents who do not own a second home the view was more divided, but with a majority here also (54.1%) of the view that it would not be appropriate to increase the premium.

5.17. Of the 24% who supported increasing the Premium, 66% wanted to increase it to 300%, and to do so immediately.

5.18. While emphasising again that the process was not a referendum, but a consultation seeking views and comments to assist the authority in reaching a decision, the responses give a sense of public opinion on the proposal.

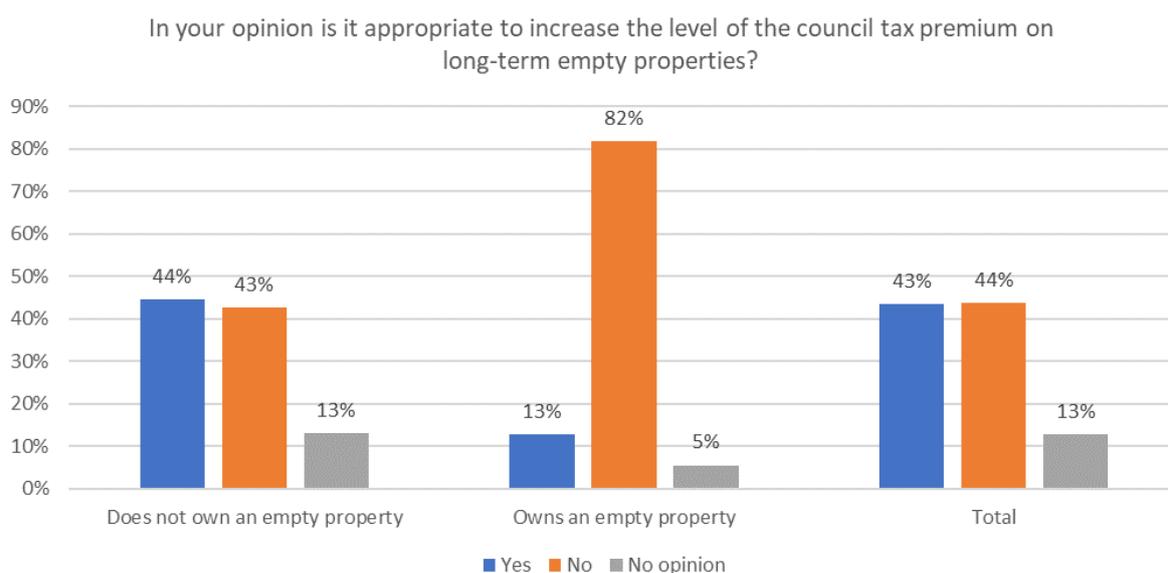
5.19. In total over half of respondents (59.0%,) felt that the level of premium on second homes would have no impact on the Welsh language. 73.9% of respondents who own a second home believe that increasing the level of premium would have no impact on the Welsh language, with 18.7% believing that increasing the premium would have a negative impact. Among respondents who do not own a second home or long-term empty property, opinion is somewhat more divided with 45.6% believing it would not have an impact on the Welsh language, 36.4% believing it would have a positive impact and 13.8% believing it would have a negative impact.

- 5.20. In total a majority of respondents (62.3%) thought that increasing the council tax premium on second homes would have a negative impact on the local community. 23.0% thought increasing the premium would have a positive impact on the local community and 12.3% thought it would not have an impact.
- 5.21. However, the vast majority (81.4%) of respondents who own a second home believe increasing the premium level would have a negative impact on the local community. 13.7% thought increasing the premium would have no impact.
- 5.22. Among respondents who do not own a second home or long-term empty property, opinion is very divided with 44.8% believing increasing the premium would have a negative impact on the local community, 42.4% believing it would have a positive impact and 10.6% believing there would be no impact.
- 5.23. One of the very common arguments in the comments by second home owners was the economic benefit they said they were contributing to Gwynedd, giving work to other local builders and traders, as well as the support given to local shops. In total a majority of respondents (70.9%) thought that increasing the level of the council tax premium on second homes would have a negative impact on the local economy. 16.4% thought increasing the premium would have a positive impact on the local economy and 9.6% thought it would not have an impact.
- 5.24. The vast majority (90.8%) of respondents who own a second home believe increasing the premium level would have a negative impact on the local economy. Among respondents who do not own a second home or long-term empty property, 52.6% believed increasing the premium would have a negative impact on the local economy, 30.7% believed it would have a positive impact and 12.9% believed there would be no impact.

Analysing the Results – Long-term empty dwellings

- 5.25. In total 72.9% of respondents thought that long-term vacant properties were currently having a negative impact on local communities, while 16.2% thought they were not having an impact and 1.3% thought they had a positive effect. 9.6% of respondents had no opinion on the matter. Respondents who own a long-term empty property are more likely than other respondents to think it has no impact on local communities

5.26. Overall the views of respondents were very divided on **whether it would be appropriate to increase the Premium on long-term empty dwellings**, with 43.8% thinking that increasing the premium on long-term empty properties would not be appropriate, and 43.4% thinking it would be appropriate. 12.8% of respondents had no opinion on this. The vast majority (84.1%) of respondents who own long-term empty properties oppose increasing the level of premium on these properties, while among respondents who do not own a second home or long-term vacant property, the majority (55.8%) were in favour of increasing the Premium.



5.27. Just over half of respondents (55.1%) thought that increasing the level of premium on long-term empty properties would not have any effect on the Welsh language. 21.7% thought there would be a positive effect and 10.2% thought there would be a negative effect.

5.28. In terms of the effect on the local community, opinion was quite divided with 40.0% of respondents thinking that increasing the level of premium on long term empty property would have a positive impact on the local community, 26.0% believing there would be no impact and 22.1% thought there would be a negative impact. 11.9% of respondents had no opinion on this.

5.29. Overall there was also considerable difference of opinion on the effect that increasing the Premium on long-term empty properties would have on the local economy. 37.5% of all respondents believe that increasing the premium on long-term vacant properties would have a positive impact on the local economy. 26.8% thought there would be no impact, and 23.7% thought there would be a negative impact. 11.9% (N=874) of respondents had no opinion on this.

5.30. However, by looking at differences between respondents who own long-term empty properties and those who do not, a significant difference in opinion is seen. 48.3% of respondents who own long-term empty properties believe increasing the premium level would have a negative impact on the local economy.

Other correspondence

5.31. In addition to the 7,330 responses to the formal questionnaire, the Council's officers and members have received several letters from members of the public expressing their views on the Council Tax Premium. The table below is a summary of the points raised in the letters and which are appropriate to consider when as part of this process.

Properties in an estate that have been purpose-built as holiday homes and unsuitable as homes	25
"Natives" / locally bred / Welsh people / Welsh people / Inherited / Property that has been in the family for years should be excluded	11
The property would have to be sold	8
Oppose Premium in general	8
The local economy will be negatively impacted	7
Owners targeted due to years of lack of suitable housing	2
Those who have purchased the property prior to the entry of the Premium should be excluded	2
It will not be possible to continue to come to the area (some have come for over 60 years)	2
Requests for exemption due to personal circumstances	1
Houses worth less than £200,000 should be excluded	1
There will be a reduction in tourism	1
The Council steals the pensions of the elderly	1
Oppose consultation questions	1
Had to leave the property to give care	1
Wealthier people would buy the property if they had to sell	1
Companion buried in the area	1
The Council is targeting the wrong people	1
Why target people who have come to the area for years?	1
Fairbourne should be excluded because of the circumstances there	1

- 5.32. It should be noted that holiday home owners in one development in particular have worked together to correspond to express that properties in an estate originally built and marketed as holiday units should not be charged a Premium; the owners say properties like this are not suitable as homes.
- 5.33. It will also be seen that individuals have corresponded to identify the Premium targeting Welsh people who have moved to live outside Gwynedd due to work but keep properties within the county as they want to return to visit their area in which they were raised as often as possible. They have indicated that forcing them to sell would mean a decline in Welsh in these villages, not strengthen it.

6. TRANSFER OF SELF-CATERING HOLIDAY UNITS

- 6.1. When the original decision to charge a Premium was made, the risk was identified of an increase in the number of properties transferring to being self-catering holiday units, which are subject to non-domestic rates. This would happen because the Valuation Office Agency had ruled that they met the threshold to be able to do so.
- 6.2. The Council has for several years been pressing the Welsh Government to change Section 66 of the Local Government Finance Act 1988 to control the transfer of domestic homes to self-catering holiday units subject to non-domestic rates, with the vast majority avoiding any local taxation because they receive small business rates relief. The Council's Plan states that the Council intends to continue to maintain our pressure in this area over the next few years, using evidence we are continually gathering, in order to get Welsh Ministers to understand the scale of the problem that exists in Gwynedd.
- 6.3. The Welsh Government has introduced a legislative change that will have an impact on April 1 on self-catering holiday units. The effect of *The Non-Domestic Rating (Amendment of Definition of Domestic Property) (Wales) Order 2022 (W. 129)* is that Section 66 of the 1988 Act has been modified so that a dwelling will need to have been available for let for 252 days in the last year, that it is intended to be let for 252 days in the next year, and that property has been truly let for 182 days in the last year (compared to 70 days currently).
- 6.4. In reaching a decision on the Premium in previous years, consideration was given to the risk that increasing the Premium would incentivise more second home owners to let their property and transfer it to the non-domestic rate list. While this risk remains, the significant increase in the number of days in which properties must be let is likely to result in a significant slowdown in the rate of transfer.

6.5. The latest figures (to the end of October 2022) show that a total of 2,908 properties in Gwynedd have transferred from the Council Tax list to the Non-Domestic Rating list, after the Valuation Office Agency designated the property as self-catering holiday units, in accordance with Section 66(2BB) of the Local Government Finance Act 1988. Approximately 90% of the transferring properties receive full Small Business Rates Relief, which means that no local taxation is payable on them:

Financial Year	Number of transfers
2022-23 (to 31/10/2022)	246
2021-22	469
2020-21	506
2019-20	397
2018-19	454
2017-18	282
2016-17	199
2015-16	167
2014-15	188
Total	2,908

6.6. Experiences over the last three years, e.g. in administering Government Covid-19 business grants, have shown that a number of individuals and companies are now buying properties in Gwynedd specifically with the intention of converting them into self-catering holiday units, rather than using them as a second home. As part of this investment they are striving to keep the property within the Council Tax regime for as little as possible before being able to transfer.

7. EXEMPTIONS

7.1. The 1992 Act also contains a provision giving the Welsh Ministers the right to impose certain exceptions (in classes) where a Council Tax premium cannot be imposed. This was done through the [Council Tax \(Exceptions to Higher Amounts\) \(Wales\) Regulations 2015 \(SI 2015/2068\)](#) which came into force on 31 January 2016. The table below outlines the exemptions where a Premium cannot be raised:

Classes of Dwellings	Definition	Type of property that is eligible for an exemption from paying the premium
Class 1	Dwellings being marketed for sale – time-limited for one year	Long-term Empty Properties and Second Homes
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	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

7.2. The Cabinet report will draw attention to two issues in particular when dealing with exceptions. First, the Welsh Government has announced that they will modify these Regulations by the start of the 2023/24 financial year, but it is not yet known what these additional exemptions will be.

7.3. The second issue that needs to be considered is that Section 13A of the 1992 Act would need to be used to introduce any local, discretionary exemptions. The use of Section 13A is a matter for the Cabinet, it is not a matter that requires the decision of a full Council.

7.4. Therefore, exceptions can be dealt with as in a separate Cabinet report before the end of March 2023.

8. USE OF THE PREMIUM

- 8.1. Since the introduction of the Premium at the start of the 2018/19 financial year, the money collected through the Premium has been placed in a dedicated fund, to fund specific projects that have been outlined in the Housing Action Plan.
- 8.2. The Housing Action Plan clearly sets out which individual schemes are to be funded with Premium money.
- 8.3. This is consistent with the aspiration of Council members and the Welsh Government, who set out a watch, but not enforcement, that the money be used in housing.
- 8.4. In recent years, following the Covid-19 pandemic, the end of the Welsh Government's Hardship Grant, the pressure on families as a result of the cost of living crisis and landlords' decision to end tenancies, the pressure on the Council's Homelessness Service has increased dramatically.
- 8.5. In considering the Premium level for 2023/24 members will be asked to consider the possibility of using any additional Premium products to assist in addressing the significant cost overspending in the homelessness area, or to divert some of the existing product to these purposes.

9. EQUALITY IMPACT ASSESSMENT

- 9.1. As with all far-reaching decisions, the Council must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011 and to all other relevant considerations.
- 9.2. The initial decision to introduce a Premium was made in December 2016, following consideration of an Equality Impact Assessment that had been carried out in accordance with the statutory requirements on the Council.
- 9.3. A comprehensive Equality Impact Assessment was completed when considering the increase of the Premium in March 2021. Since then, the Public sector duty regarding socio-economic inequalities came into force in Wales on 31 March 2021, which is relevant to Gwynedd Council. This means that the Council, when making “strategic decisions” such as deciding priorities and setting objectives, must consider how its decisions might help to reduce the inequalities associated with socio-economic disadvantage. It would appear that the Premium rate on second homes and long-term empty dwellings is a “strategic decision” in accordance with these duties.

- 9.4. As noted in “Legislative Background” above, the powers to raise a premium was introduced by the Housing Act, with the fundamental expectation that those who can afford more than one property should assist local authorities financially to deal with housing problems in their areas, in particular the most vulnerable in society who cannot find a home.
- 9.5. When resolving in February 2021 to recommend to the full Council that the Premium level should be increased to 100%, members of the Cabinet noted that there was a housing crisis within the county. The principle that the Council was eager for residents to have homes in their own communities was emphasised, in order to ensure thriving communities. It was added that housing was a priority and that it was a requirement to ensure additional resources in order to implement the Housing Strategy.
- 9.6. We believe, therefore, that the core aim of the Premium is to reduce the inequalities associated with socio-economic disadvantage.
- 9.7. The Equality Impact Assessment has been updated to reflect recent requirements and developments, changing circumstances and the results of the recent consultation. The revised assessment is included in the Appendix.

10. WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015

- 10.1. There is a duty to act in accordance with the sustainable development principle, which is to try to ensure that the needs of the present are met without compromising the ability of future generations to meet their needs. When acting in accordance with this general duty the Council needs to consider the importance of the long term impact, being integrated and inclusive, collaboration and prevention in developing and implementing the proposal.
- 10.2. In accordance with the requirement of the Act, Gwynedd Council (in collaboration with Isle of Anglesey County Council) has developed well-being objectives. These are:
 - Communities which thrive and are prosperous in the long-term
 - Healthy and independent residents with a good quality of life
- 10.3. The current Premium funds the Council's Housing Action Plan, which is a proactive attempt to strengthen the sustainability of those communities within Gwynedd with a high number of second and long-term empty homes.
- 10.4. The Council's Housing Strategy sets out the vision of “Ensuring that the people of Gwynedd have access to a suitable Home of a high standard that is affordable and improves their quality of life”.

10.5. The Strategy identifies five objectives that had to be sought if the Council was to achieve this vision:

1. No one is homeless in Gwynedd
2. Social housing available to all who need one
3. Everyone's home in Gwynedd is affordable to them
4. Gwynedd Housing are environmentally friendly
5. Homes having a positive influence on the health and well-being of the people of Gwynedd

10.6. The Housing Action Plan includes a number of projects that together set out to deliver these objectives.

11. NEXT STEPS AND TIMETABLE

11.1. The Full Council will need to reach a decision on the Premium on 1 December 2022 in order to set Council Tax for 2021/22.

11.2. There are several options available to Cabinet in terms of a recommendation to be submitted including, but not limited to:

- **Keep the Premium level at 100% in 2023/24.** This would mean that the same amount as is currently raised is collected for dealing with housing issues, but additional income would not be available to fund the growing financial gap in this area. In particular, if resources need to be diverted to address the financial gap in homelessness, there would be fewer resources available to fund the Housing Action Plan. As there would be no change to the current arrangements the risk of a legal challenge is relatively low. On the other hand, it would maintain the risk of failing to fulfil the Council's aspiration of seeing more housing come into the open market.
- **Increase the Premium to the maximum allowed under the law of 300% in 2023/24.** This option would theoretically bring additional income to the Council, but would present a number of significant risks. Firstly, the Council would be at very high risk of a successful legal challenge by a large cohort of people particularly if raising the Premium to 300% could not be justified, except that we are empowered to do so. We don't know the consequences of introducing such a significant jump in one step, and we would be faced with a situation where property owners couldn't afford to pay the extra tax, and didn't pay.
- **Set the Premium somewhere between 100% and 300% in 2023/24.** An increase to 150% or 200% would enable the Council to continue to fund the Housing Action Plan, but also use the additional Premium to fund the gap within homelessness. The risk of a legal challenge would be higher, but the increase would be justified as the money is necessary to deal with a crisis in housing, which is the purpose for introducing the Premium in the first place.

- It would be possible to make an explicit decision for more than one financial year, increasing the level of Premium over more than one year – but it will be possible to adjust the level for each year as far as that happens before the start of the relevant financial year.
- Reducing the Premium or abolishing it altogether is also an option of course, but that will have subsequent implications for the funding of the Housing Action Plan.

11.3. Whatever the Cabinet recommends, it will need to ensure that the proposal is justified as outlined in the Statutory Guidance and that research confirms that a problem exists that needs to be tackled.

12. RECOMMENDATION

12.1. The Governance and Audit Committee is asked to:

- **Consider the information contained in the report and appendices and draw a conclusion if the information being submitted complies with the statutory guidelines and legislative requirements.**
- **Agree on any comments the Committee wishes Cabinet to consider in reaching a Premium level decision to recommend it, and from the full Council when reaching a final decision.**



Llywodraeth Cymru
Welsh Government

Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales

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Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales

Introduction

1. From 1 April 2017, local authorities will be able to charge a premium of up to 100% of the standard rate of council tax on long-term empty homes and second homes in their areas. The legislative changes were made by the Housing (Wales) Act 2014 and the powers given to local authorities are discretionary. Whether to charge a premium on long-term empty homes or second homes (or both) is, therefore, a decision to be made by each local authority.
2. The purpose of this guidance is to assist local authorities in their decision whether or not to charge a premium in their area.
3. This guidance has been produced to ensure that there is a fair and consistent implementation of the premiums and their exceptions across Wales.
4. The guidance is statutory and is issued under powers in sections 12A (3) and 12B (4) of the Local Government Finance Act 1992 ("the 1992 Act") as inserted by the Housing (Wales) Act 2014 ("the 2014 Act"). It applies to all local authorities in Wales.
5. This guidance should not be treated as an interpretation of the legislation. The interpretation of legislation is in the first instance a matter for the local authority, with definitive interpretation the responsibility of the courts.

Legal Framework for the Council Tax Premiums

6. Paragraphs 7 - 14 set out the legal framework which is common to both the premium on long-term empty homes and the premium on second homes. Requirements which are specific to long-term empty homes are set out in paragraphs 15 - 17, and those which are specific to second homes are detailed in paragraphs 18 - 19.
7. The 2014 Act amends the 1992 Act by inserting new sections 12A and 12B to enable a billing authority (a county council or county borough council) in Wales to disapply any discount granted to long-term empty dwellings and dwellings occupied periodically and apply a higher amount of council tax (a premium).
8. Local authorities have discretion to decide on the amount of the premium up to a maximum of 100% of the standard rate of council tax that applies to the dwelling.

9. 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.
10. A determination by a billing authority to charge a premium will also disapply any discount that is granted under section 11(2)(a) of the 1992 Act for dwellings in which there are no residents.
11. A billing authority can make, vary or revoke a determination made under sections 12A and 12B of the 1992 Act, but only before the beginning of the financial year to which the determination applies.
12. The Welsh Ministers also have powers under section 12A(4) and 12A(5), and 12B(5) and 12B(6) of the 1992 Act to prescribe through regulations certain classes of dwelling which may not be subject to a premium. The Council Tax (Exceptions to Higher Amounts Wales) Regulations 2015 have been made under these powers and the exceptions they prescribe are detailed later in this guidance.
13. The council tax system already provides a number of specific exemptions from council tax. The exempt groups are set out in the Council Tax (Exempt Dwellings) Order 1992. There are a number of exemptions in place for unoccupied dwellings, such as, for example:
 - where the resident is in long-term residential care or hospital,
 - where a dwelling is being structurally repaired (for up to one year),
 - where the resident has died (for up to six months after grant of probate or letters of administration).
14. A dwelling that is exempt from council tax is not liable for a premium. However, where a dwelling becomes no longer eligible for an exemption, but remains unoccupied, it will become liable for the premium. In the case of an empty home, it will be liable for a premium after it has been empty for a continuous period of one year.

Section 12A: Higher amount for long-term empty dwellings

15. A long-term empty dwelling is defined as a dwelling which is both unoccupied and substantially unfurnished for a continuous period of at least one year.
16. In determining whether a dwelling has been empty for one year, no account is to be taken of any period before 1 April 2016. In addition, 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.

17. Where a local authority makes a determination to charge a premium on long-term empty dwellings, it may specify different percentages (up to a maximum of 100 per cent) for different dwellings based on the length of time for which they have been empty. This will enable local authorities to take a stepped approach with incremental increases applying over time.

Section 12B: Higher amount for second homes

18. 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 1992 Act as dwellings occupied periodically but they are commonly referred to as "second homes".

19. In order for a premium to apply to dwellings occupied periodically, a billing authority must make its first determination under section 12B at least one year before the beginning of the financial year to which the premium relates. This means that in order to charge a premium from 1 April 2017, a billing authority must make a determination before 1 April 2016. A determination to charge a premium in 2018 must be made before 1 April 2017 and so on.

Making a Determination to charge the Council Tax Premiums on Long-term Empty Homes and Second Homes

20. The discretion given to local authorities to charge a premium is intended to be a tool to help local authorities 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.

21. In considering whether or not to charge a premium, regard should be given to these aims. Authorities should take into account the particular housing need and circumstances in their area.

22. There are a range of factors which could help inform local authorities in deciding whether to charge a premium. Whilst some factors will be specific to either long-term empty homes or second homes, others will be common to both. A list of these factors is set out below to assist local authorities. It is not intended to be exhaustive.

- Numbers and percentages of long-term empty homes or second homes in the area;
- Distribution of long-term empty homes or second homes and other housing throughout the authority and an assessment of their impact on property values in particular areas;
- Potential impact on local economies and the tourism industry;
- Patterns of demand for, and availability of, affordable homes;

- Potential impact on local public services;
- Potential impact on the local community;
- Other measures that are available to authorities to increase housing supply;
- Other measures that are available to authorities to help bring empty properties back into use.

23. The determination by a local authority to charge a premium under section 12A or 12B of the 1992 Act must be made by full Council. Prior to doing so, a local authority must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011 and to all other relevant considerations. A local authority should also give consideration to engagement and consultation with key stakeholders, including the local electorate, before taking a decision as to whether or not to charge one or both of the premiums.

24. Having made a determination to charge a premium, in addition to the requirement to publish a notice in a local newspaper within 21 days, a local authority should give consideration to how its decision is communicated more widely, particularly to those who might be affected. This may be through the publication of press notices, providing information on website pages or other avenues to raise awareness such as, for example, direct communication with council taxpayers who are likely to be liable for the premium. A local authority may also wish to give consideration to how they advise or inform those who may be affected but who normally reside outside the local area.

Exceptions to the Council Tax Premiums on Long-Term Empty Homes and Second Homes

25. Sections 12A and 12B of the 1992 Act provide Welsh Ministers with powers to make regulations to prescribe one or more classes of dwellings in relation to which a billing authority may not make a determination to apply a premium. The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015 are made under these powers – a premium may not be charged on a dwelling that falls within an exception. A local authority must have regard to these exceptions before deciding to implement a premium.

26. The regulations prescribe seven classes of exempt dwellings. Classes 1, 2, 3 and 4 apply to both long-term empty homes and second homes. Classes 5, 6, and 7 only apply to second homes. The classes of dwelling are outlined in the table below and are detailed further in paragraphs 28 - 46.

Classes of Dwellings	Definition	Application
Class 1	Dwellings being marketed for sale – time-limited for one year	Long-Term Empty Homes and Second Homes
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	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

27. Each exception is described further in the next section. Additional guidance will be provided in relation to assist local authorities in the application of the exceptions for:

- dwellings being marketed for sale;
- dwellings being marketed for let; and
- job-related dwellings.

Class 1: Exception for dwellings being marketed for sale

28. This exception applies to both the premium on long-term empty homes and the premium on second homes. It excepts dwellings that are being marketed for sale. It also covers dwellings where an offer to buy the dwelling has been accepted but the sale has not yet been completed.

29. In order to qualify for this exception a dwelling must be on the market for sale at a reasonable price. In considering whether a price is reasonable, regard should be given to the sale price of comparable dwellings in the area. Additional guidance will be provided to assist local authorities in the application of this exception.

30. The exception period runs for up to one year from the granting of the exception. After an exception has ended, a dwelling being marketed for sale will not be eligible for a further exception period unless it has been sold.

Class 2: Exception for dwellings being marketed for let

31. This exception applies to both the premium on long-term empty homes and the premium on second homes. It excepts dwellings that are being marketed for let. It also covers dwellings where an offer to rent has been accepted but the tenant is not yet entitled to occupy the property because the tenancy has not yet started.
32. In order to be eligible for this exception, a dwelling must be on the market for let at a reasonable rent, that is, the rent the property would be expected to fetch having regard to the rent raised on comparable dwellings. Additional guidance will be provided to assist local authorities in the application of this exception
33. The exception period runs for up to one year from the granting of the exception. After the end of the exception period, a dwelling being marketed for let will not be eligible for a further exception period unless it has been subject to a tenancy that was granted for a term or six months or more.

Class 3: Exception for Annexes forming part of, or being treated as part of, the main dwelling

34. This exception applies to both the long-term empty homes premium and to the second homes premium.
35. This exception applies where an owner has adapted their dwelling to provide an annexe and the annexe is now being used as part of the main dwelling.

Class 4: Exception for Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation

36. This exception applies to both the long-term empty homes premium and to the second homes premium.
37. This exception applies to dwellings that would be a person's sole or main residence but which is unoccupied because that person resides in armed forces accommodation.
38. This exception is also intended to cover armed forces personnel whose homes are unoccupied because they are living in armed forces accommodation overseas.

Class 5: Exception for Occupied caravan pitches and boat moorings

39. This exception applies to the second homes premium. It covers dwellings that consist of a pitch occupied by a caravan or a mooring occupied by a boat where the boat or caravan currently has no resident, but when next in use will be a person's sole or main residence.

Class 6: Exception for Seasonal homes where year-round occupation is prohibited

40. This exception applies to the second homes premium. It is applicable to dwellings that are subject to planning conditions that prevent occupancy for a continuous period of at least 28 days in any 12-month period.
41. This exception is intended to cover purpose-built holiday homes or chalets which are subject to planning conditions restricting year-round occupancy. The exception is based on the definition of the existing discretionary discount for seasonal homes (Class A) in The Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998¹.

Class 7: Exception for job-related dwellings

42. This exception applies only in relation to the second homes premium and applies to dwellings occupied by a person who is:
- a qualifying person in relation to the dwelling, but who is resident in another dwelling which is job-related (as defined in Schedule 1 to the Regulations); or
 - a qualifying person in relation to a job-related dwelling.
43. A qualifying person is defined as:
- a person who is liable for council tax in respect of a dwelling on a particular day, whether or not jointly with another person; and
 - a person who would be liable for the council tax in respect of a dwelling on a particular day, whether or not jointly with another person if that dwelling did not fall within:
 - i. Class O of the Council Tax (Exempt Dwellings) Order 1992; or
 - ii. Class E of the Council Tax (Liability for Owners) Regulations 1992.
44. This exception applies where a person is required to reside in a job-related dwelling. It applies to a second home that is occupied periodically because a person is required to live in job-related accommodation elsewhere. It also applies where the job-related accommodation is a person's second home.
45. The definition of a job-related dwelling is given in the Schedule to the Regulations. Although this exception is similar to the job-related discount under the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998, it differs because the discount only applies if the job-related dwelling is a person's sole or main residence.

¹ SI 1998 No 105

46. Another difference from the job-related dwelling discount is that there is no requirement for the taxpayer to be liable for council tax in respect of two dwellings, meaning that a person who has either a main home abroad or a job-related dwelling abroad can also benefit from the exception. Additional guidance will be provided to assist local authorities in the application of this exception

Reducing Liability for the Council Tax Premiums on Long-Term Empty and Second Homes

47. Under section 13A of the 1992 Act, a billing authority has discretionary powers to reduce council tax liability to such extent as the billing authority thinks fit. 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.

48. Some illustrative examples of where a local authority might consider using these powers include:

- where there are 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.

49. The above list is not exhaustive and billing authorities will want to consider all factors they think are relevant.

50. It is a matter for a local authority as to whether the discretionary 13A powers are used to reduce council tax liability in respect of a premium. In the interest of fairness and transparency, a local authority should have a clear policy on whether, and how, these powers will be used. The authority should, however, consider each case on its merits having taken into account the circumstances of the case.

51. It should be noted that deliberations around the use of the discretionary 13A powers are likely to be different when they are considered to reduce council tax liability resulting from a premium compared to reducing liability from the standard rate of council tax. This is because dwellings liable to a premium are already liable for the standard rate of council tax.

Appeals

52. If a person is aggrieved by a calculation 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.
53. 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.
54. Further information on the appeals process can be found on the Valuation Tribunal for Wales' website via the link below:
<http://www.valuation-tribunals-wales.org.uk/home.html>.

Next Steps

Amendments to related legislation

55. In order to ensure that local authorities are able to administer and enforce the premiums the Welsh Government will amend relevant legislation to reflect the introduction of the premiums for example, changes to the calculation of the tax-base and to the appeals process.

Administration and Enforcement

56. In order to assist local authorities with the administration and enforcement of the premiums, in particular the application of the exceptions, additional guidance will be provided.
57. In response to concerns raised by some authorities about administrative difficulties and potential avenues for abuse, this guidance will also provide additional information to assist local authorities in applying the exceptions for:
- dwellings being marketed for sale;
 - dwellings being marketed for let; and
 - job-related dwellings.

Use of additional revenue generated from the Council Tax Premiums

58. A local authority will be able to retain any additional funds generated by implementing the premiums and amendments to the calculation of the tax base will be made to facilitate this. However, authorities are encouraged to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums.

59. Specific requirements in relation to reporting on additional revenue generated and its subsequent use will be set out in further guidance. Further details on this are provided in the next section.

Monitoring and Reporting

60. In order to monitor the effectiveness of the premiums and to ensure that information on their usage is clearly made available to local council tax payers, the Welsh Government will require local authorities to monitor and report on the implementation of the premiums.

61. The specific requirements in relation to this will be set out in further guidance which will be published prior to April 2017. This is likely to include:

- Number of properties liable for the premiums;
- Additional income raised from implementing the premiums;
- How any additional income has been used;
- Number of empty homes which have been brought back into use.

62. A new module is currently being developed on Datatank for local authorities to use in modelling, monitoring and reporting on the premiums. This will be available to all authorities in the New Year.

Local Taxation Team
Welsh Government
December 2015

Results of Council Tax Premium Consultation on Second Homes and Long-Term Empty Properties – October 2022

Submission Date: 2022-11-04

Authors: Research and Analytics Team

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1. Introduction

The public consultation was launched on 30th September and was open until 28th October. The questionnaire was posted on the Council's website with letters sent to all owners of second homes and long-term empty properties, and reminders posted on the Council's social media pages.

7,330 responses were received to the questionnaire. There were 7,277 online questionnaire responses and 53 paper responses. This is the largest number of responses the Council has seen to any consultation in recent years.

The consultation was split into two sections, one for second homes and the other for long-term empty properties.

2. Consultation responses

There were 7,330 responses to the consultation.

2.1 Your situation?

The first question of the questionnaire asked respondents to select one or more statements describing their situation. Here are the number, and percentage, of respondents who chose the different statements:

Situation	Number	%age
My main home is in Gwynedd	3,518	48.0%
My main home is outside Gwynedd	2,690	36.7%
I have a second home in Gwynedd	3,483	47.5%
I have a long-term empty property in Gwynedd	237	3.2%

Since individual respondents could be in more than one of the above situations, it is easier to categorize the respondents as follows:

Category	Number	%age
With no second home or empty property in Gwynedd*	3,646	49.7%
Own a second home in Gwynedd (but no long-term empty properties)	3,447	47.0%
Owning a long-term empty property in Gwynedd (but no second home)	201	2.7%
Owning a second home and long-term empty property in Gwynedd	36	0.5%
Total respondents	7,330	100.0%

**This category can include respondents who live in and outside Gwynedd, who do not have a second home or long-term empty property in Gwynedd*

Just over half of respondents therefore (50.3%, N=3,684) owned either a second home or a long-term empty dwelling in Gwynedd (or both).

Within this figure 47.0% owned a second home, 2.7% owned a long-term empty dwelling, and 0.5% owned both (i.e. a long-term empty dwelling and a second home in Gwynedd).

49.7% of respondents did not own a second home or long-term empty dwelling in Gwynedd. Within this figure, 8.5% (N=625) also indicated that their main home was outside Gwynedd.

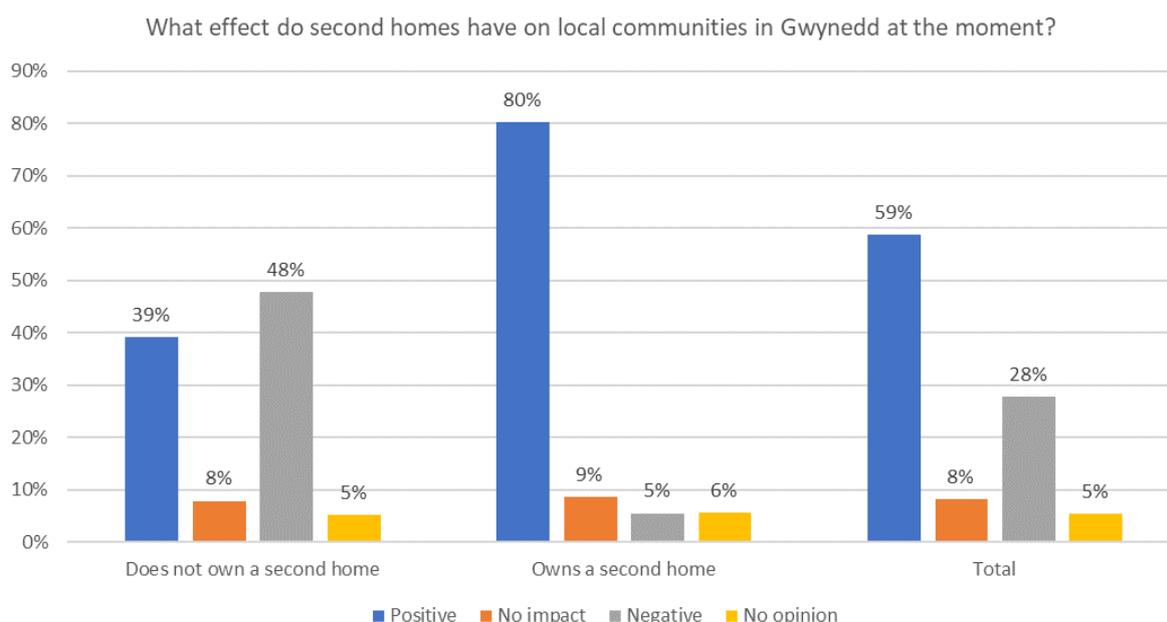
3. Results for Second Homes

This part looks specifically at the consequences of the questions about second homes.

3.1 What effect do second homes have on local communities in Gwynedd at the moment?

In total, over half of respondents (58.7%, N=4,304) thought that second homes were currently having a positive impact on local communities, while 27.7% (N=2,030) thought they were having a negative impact, with 8.2% (N=603) thinking they were having no impact. 5.4% (N=393) of respondents had no opinion on this.

However, by looking at differences between respondents who own a second home and those who do not, a significant difference in opinion is seen as shown in the chart below.



"Do not own a second home" in the chart includes respondents who owned a long-term empty dwelling (but not a second home), as well as respondents who did not own either

"Owning a second home" includes all respondents who owned a second home, whether or not they also owned a long-term empty property

The table below details the responses by category, and shows that 80.5% of respondents who own a second home think second homes currently have a positive effect on local communities, while less than half (39.4%) of respondents who do not own a second home or long-term empty property are of

this opinion. 48.7% of respondents who do not own a second home or long-term empty property think second homes are currently having a negative impact on local communities, while only 5.3% of respondents who own a second home are of this opinion.

The responses of those who own long-term empty properties are found to be quite equal, with slightly more (35.3%) feeling that second homes are currently having a positive impact on local communities.

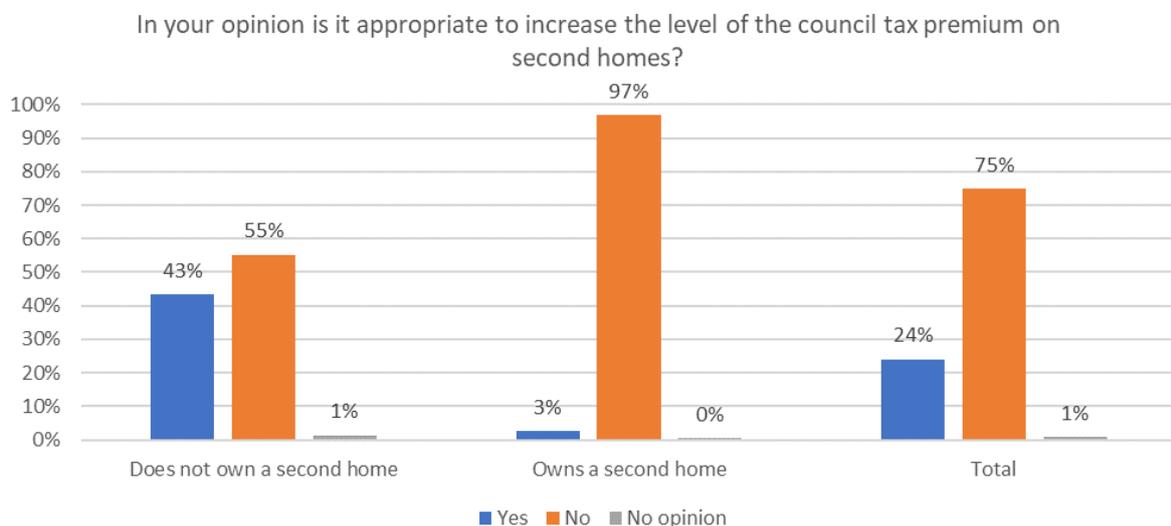
Among the small number of respondents who own long-term empty properties and second homes the view is again more divided but with the majority (55.6%) believing second homes are currently having a positive impact.

	Positive effect		No effect		Negative effect		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,437	39.4%	275	7.5%	1,776	48.7%	158	4.3%	3,646	100.0%
Own a second home	2,776	80.5%	298	8.6%	184	5.3%	189	5.5%	3,447	100.0%
Own a long-term empty property	71	35.3%	27	13.4%	64	31.8%	39	19.4%	201	100.0%
Owning a second home and long-term empty property	20	55.6%	3	8.3%	6	16.7%	7	19.4%	36	100.0%
Total	4,304	58.7%	603	8.2%	2,030	27.7%	393	5.4%	7,330	100.0%

3.2 Currently the Council Tax Premium on second homes is 100%. The Council is considering whether to increase the level of the Council Tax Premium. Do you think this is appropriate?

In total, three-quarters of respondents (75.0%, N=5,497) considered it not appropriate to increase the level of Council Tax Premium on second homes. 24.1% (N=1,764) thought it appropriate to increase it, with 0.9% (N=69) not having an opinion.

However, by separating the answers between respondents who own a second home and those who do not (chart below), there is some difference of opinion with the overwhelming majority of respondents who own a second home opposing increasing the premium level. Among respondents who do not own a second home the view was more divided, but with a majority here also of the view that it would not be appropriate to increase the premium.



"Do not own a second home" in the chart includes respondents who owned a long-term empty dwelling (but not a second home), as well as respondents who did not own either

"Owning a second home" includes all respondents who owned a second home, whether or not they also owned a long-term empty property

The table below details the responses by category, and shows that an overwhelming majority (96.9%) of respondents who own a second home oppose increasing the level of premium on second homes, with a smaller majority (54.1%) of respondents not owning a second home nor a long-term empty property sharing the same view. 44.6% of respondents who do not own a second home or long-term empty property thought increasing the level of premium on second homes would be appropriate, but only 2.7% of second home owners we of this opinion.

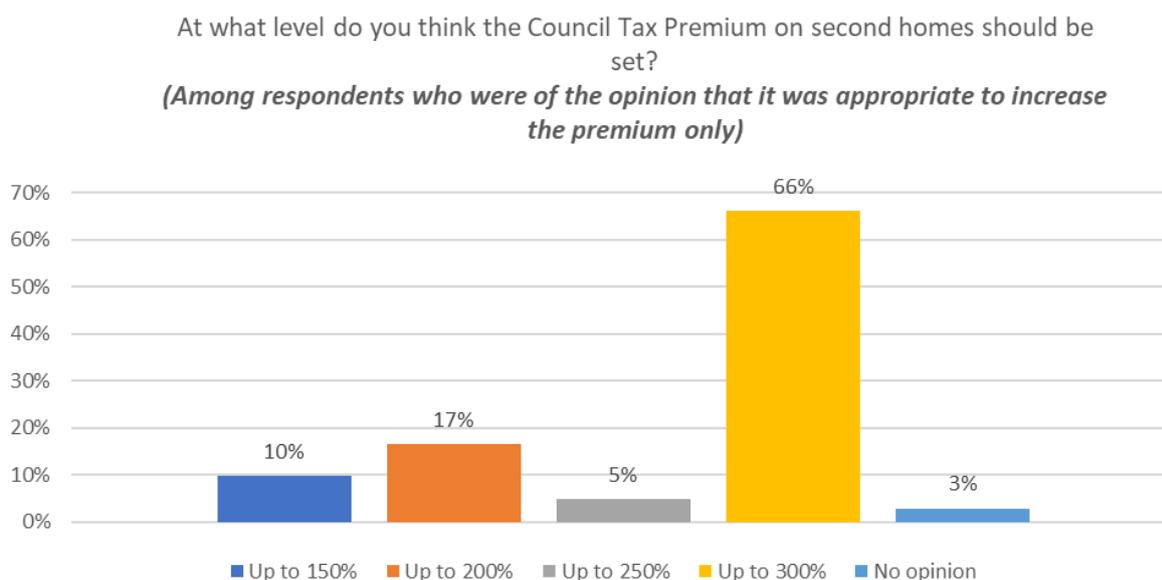
A majority (76.1%) of respondents who own long-term empty properties also opposed increasing the premium on second homes. Among the small number of respondents who own long-term empty properties and second homes, 88.9% opposed increasing the premium on second homes.

	Yes		No		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,626	44.6%	1,973	54.1%	47	1.3%	3,646	100.0%
Own a second home	94	2.7%	3,339	96.9%	14	0.4%	3,447	100.0%
Own a long-term empty property	42	20.9%	153	76.1%	6	3.0%	201	100.0%
Owning a second home and long-term empty property	2	5.6%	32	88.9%	2	5.6%	36	100.0%
Total	1,764	24.1%	5,497	75.0%	69	0.9%	7,330	100.0%

3.3 At what level do you think the Council Tax Premium on second homes should be set?

There was an opportunity for the 1,764 respondents who thought it would be appropriate to increase the council tax premium level on second homes to then give their views on the level at which it should be set.

Among these respondents, about two-thirds (66.1%, N=1,166) believed the premium should be increased by up to 300% with a further 16.6% (N=292) believing it should be set up to 200% (chart below).



The full results by respondent category are shown in the table below but it should be noted that as many respondents who own a second home / long-term empty property were not in favour of increasing the premium at all, the percentages in these categories were based on small numbers.

	Up to 150%		Up to 200%		Up to 250%		Up to 300%		No opinion		Total
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age	No.
Owning neither a second home nor empty property	124	7.6%	268	16.5%	82	5.0%	1,119	68.8%	33	2.0%	1,626
Own a second home	44	46.8%	19	20.2%	1	1.1%	20	21.3%	10	10.6%	94
Own a long-term empty property	3	7.1%	5	11.9%	2	4.8%	26	61.9%	6	14.3%	42
Owning a second home and long-term empty property	-	-	-	-	-	-	1	50.0%	1	50.0%	2
Total	171	9.7%	292	16.6%	85	4.8%	1,166	66.1%	50	2.8%	1,764

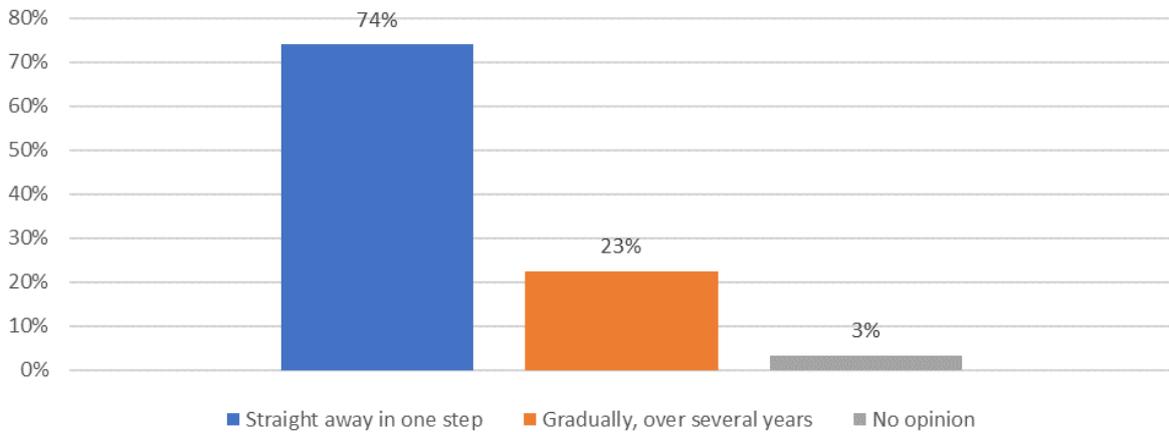
Question only relevant to respondents who supported increasing the premium on second homes

3.4 How should the Council Tax Premium increase for second homes be introduced?

There was also an opportunity for the 1,764 respondents who were in favour of increasing the council tax increase on second homes to give their views on how the increase should be introduced.

Among these respondents, around three-quarters (74.1%, N=1,308) believed the premium should be increased immediately in a single step, with 22.5% (N=397) believing it should be phased in over several years (chart below).

How should the Council Tax Premium on second homes be introduced?
 (Among respondents who were of the opinion that it was appropriate to increase the premium only)



Again, the full results by respondent category are shown below but noting again that since many respondents who own a second home / long-term empty property were not in favour of increasing the premium at all, the percentages within these categories were based on small numbers.

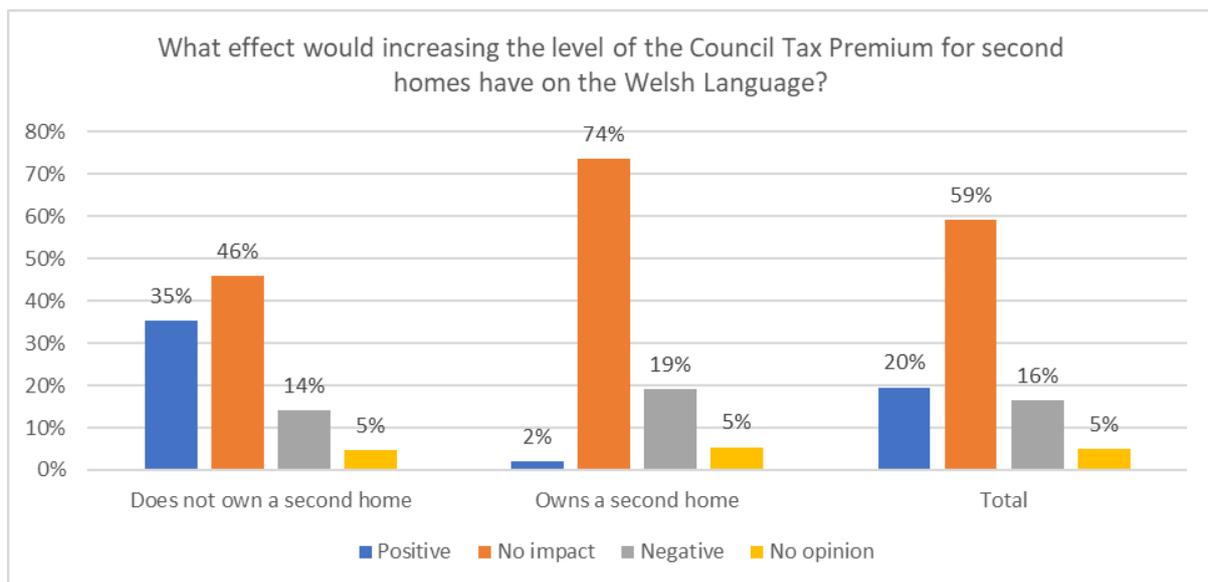
	Immediately, in one step		Gradually, over several year		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,256	77.2%	320	19.7%	50	3.1%	1,626	100.0%
Own a second home	26	27.7%	61	64.9%	7	7.4%	94	100.0%
Own a long-term empty property	25	59.5%	15	35.7%	2	4.8%	42	100.0%
Owning a second home and long-term empty property	1	50.0%	1	50.0%	-	-	2	100.0%
Total	1,308	74.1%	397	22.5%	59	3.3%	1,764	100.0%

Question only relevant to respondents who were in favour of increasing the premium on second homes

3.5 What impact would increasing the level of Council Tax Premium for second homes have on the Welsh language?

In total over half of respondents (59.0%, N=4,327) felt that the level of premium on second homes would have no impact on the Welsh language. The remaining responses were pretty even with 19.5% (N=1,432) thinking it would have a positive impact on the Welsh language and 16.5% (N=1,207) thinking it would have a negative impact.

However, looking at differences between respondents who own a second home and those who do not, there is some difference in opinion as shown in the chart below.



"Do not own a second home" in the chart includes respondents who owned a long-term empty dwelling (but not a second home), as well as respondents who did not own either

"Owning a second home" includes all respondents who owned a second home, whether or not they also owned a long-term empty property

The table below details the response by category, and shows that 73.9% of respondents who own a second home believe that increasing the level of premium would have no impact on the Welsh language, with 18.7% believing that increasing the premium would have a negative impact.

Among respondents who do not own a second home or long-term empty property opinion is somewhat more divided with 45.6% believing it would not have an impact on the Welsh language, 36.4% believing it would have a positive impact and 13.8% believing it would have a negative impact.

Among those who own long-term empty properties the majority (52.2%) felt that increasing the premium would not have an impact on the Welsh language.

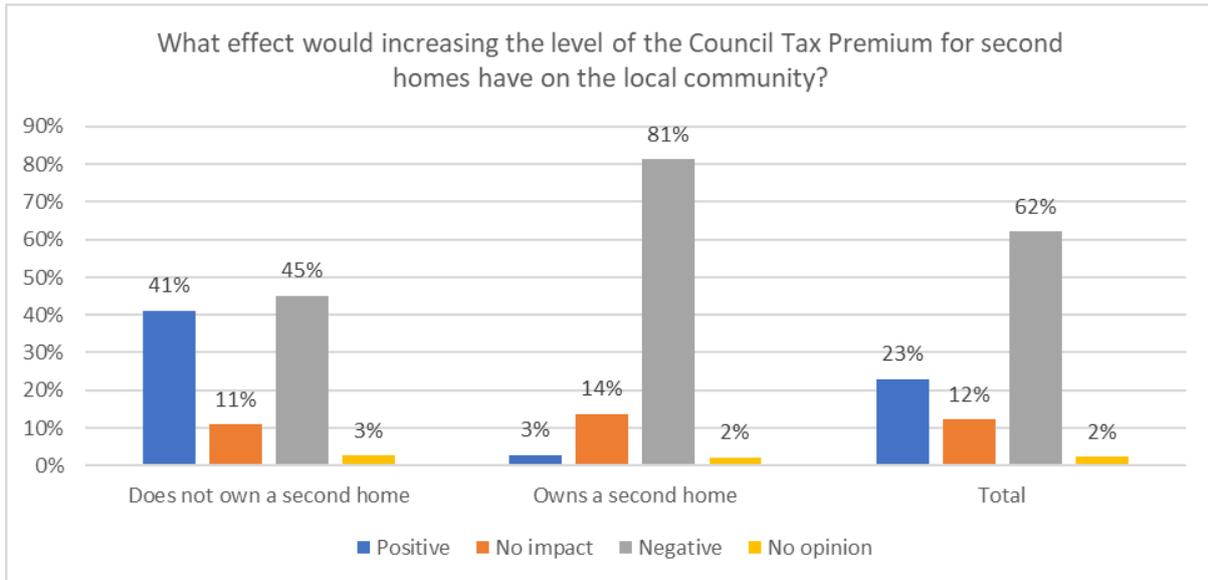
Among the small number of respondents who own long-term empty properties and a second home, half (50.0%) believed increasing the premium would have a negative impact on the Welsh language and a third (33.3%) believed it would have no impact.

	Positive effect		No effect		Negative effect		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Own neither a second home nor empty property	1,328	36.4%	1,661	45.6%	502	13.8%	155	4.3%	3,646	100.0%
Own a second home	68	2.0%	2,549	73.9%	646	18.7%	184	5.3%	3,447	100.0%
Own a long-term empty property	33	16.4%	105	52.2%	41	20.4%	22	10.9%	201	100.0%
Owning a second home and long-term empty property	3	8.3%	12	33.3%	18	50.0%	3	8.3%	36	100.0%
Total	1,432	19.5%	4,327	59.0%	1,207	16.5%	364	5.0%	7,330	100.0%

3.6 What effect would increasing the level of the Council Tax Premium for second homes have on the local community?

In total a majority of respondents (62.3%, N=4,566) thought that increasing the council tax premium on second homes would have a negative impact on the local community. 23.0% (N=1,685) thought increasing the premium would have a positive impact on the local community and 12.3% (N=902) thought it would not have an impact.

However, by looking at differences between respondents who own a second home and those who do not, some difference in opinion is seen as shown in the chart below.



"Do not own a second home" in the chart includes respondents who owned a long-term empty dwelling (but not a second home), as well as respondents who did not own either

"Owning a second home" includes all respondents who owned a second home, whether or not they also owned a long-term empty property

The table below details the response by category, and shows that the vast majority (81.4%) of respondents who own a second home believe increasing the premium level would have a negative impact on the local community. 13.7% thought increasing the premium would have no impact.

Among respondents who do not own a second home or long-term empty property opinion is very divided with 44.8% believing increasing the premium would have a negative impact on the local community, 42.4% believing it would have a positive impact and 10.6% believing there would be no impact.

Among those owning long-term empty properties, the majority (51.2%) felt increasing the premium would have a negative impact on the local community.

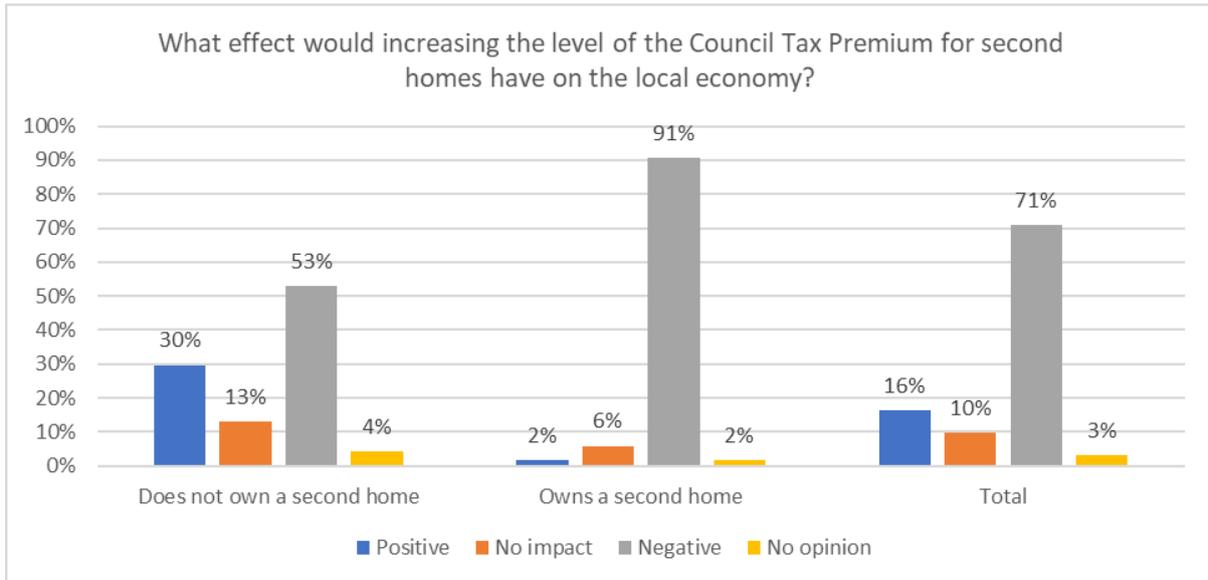
Among the small number of respondents who own long-term empty properties and a second home, the majority (63.9%) believed that increasing the premium would have a negative impact on the local community.

	Positive effect		No effect		Negative effect		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,547	42.4%	386	10.6%	1,634	44.8%	79	2.2%	3,646	100.0%
Own a second home	96	2.8%	472	13.7%	2,806	81.4%	73	2.1%	3,447	100.0%
Own a long-term empty property	39	19.4%	37	18.4%	103	51.2%	22	10.9%	201	100.0%
Owning a second home and long-term empty property	3	8.3%	7	19.4%	23	63.9%	3	8.3%	36	100.0%
Total	1,685	23.0%	902	12.3%	4,566	62.3%	177	2.4%	7,330	100.0%

3.7 What effect would increasing the level of the Council Tax Premium for second homes have on the local economy?

In total a majority of respondents (70.9%, N=5,200) thought that increasing the level of increasing the council tax premium on second homes would have a negative impact on the local economy. 16.4% (N=1,203) thought increasing the premium would have a positive impact on the local economy and 9.6% (N=703) thought it would not have an impact.

By looking at differences between respondents who own a second home and those who do not, some difference is seen in the opinion as shown in the chart below.



"Do not own a second home" in the chart includes respondents who owned a long-term empty dwelling (but not a second home), as well as respondents who did not own either

"Owning a second home" includes all respondents who owned a second home, whether or not they also owned a long-term empty property

The table below details the response by category, and shows that the vast majority (90.8%) of respondents who own a second home believe increasing the premium level would have a negative impact on the local economy. 5.8% believed increasing the premium would have no impact.

Among respondents who do not own a second home or long-term empty property, 52.6% believed increasing the premium would have a negative impact on the local economy, 30.7% believed it would have a positive impact and 12.9% believed there would be no impact.

Among those owning long-term empty properties the majority (61.7%) felt increasing the premium would have a negative impact on the local economy.

Among the small number of respondents who own long-term empty properties and a second home, the majority (75.0%) believed that increasing the premium would have a negative impact on the local economy.

	Positive effect		No effect		Negative effect		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,119	30.7%	469	12.9%	1,918	52.6%	140	3.8%	3,646	100.0%
Own a second home	59	1.7%	201	5.8%	3,131	90.8%	56	1.6%	3,447	100.0%
Own a long-term empty property	24	11.9%	29	14.4%	124	61.7%	24	11.9%	201	100.0%
Owning a second home and long-term empty property	1	2.8%	4	11.1%	27	75.0%	4	11.1%	36	100.0%
Total	1,203	16.4%	703	9.6%	5,200	70.9%	224	3.1%	7,330	100.0%

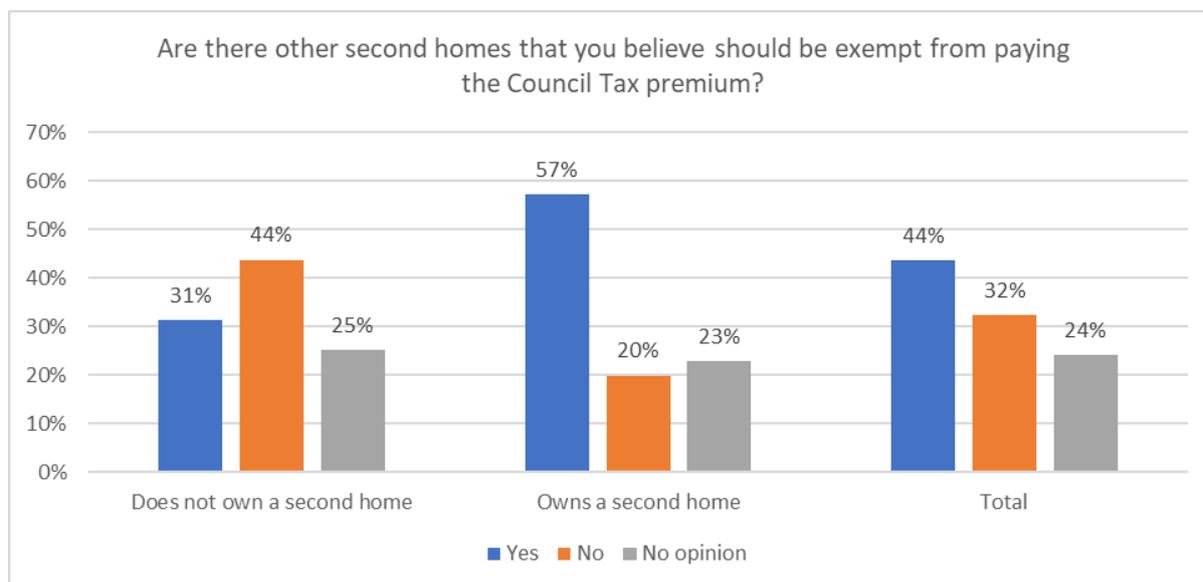
3.8 Are there other second homes that you believe should be exempt from paying the Council Tax Premium?

The following second homes are statutorily exempt from being subject to the Premium:

- Dwellings being marketed for sale – time-limited for one year
- Dwellings being marketed for let – time-limited for one year
- Annexes forming part of, or being treated as part of, the main dwelling
- Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation
- Occupied caravan pitches and boat moorings
- Seasonal homes where year-round occupation is prohibited
- Job-related dwellings

Respondents had an opportunity to consider whether any other type of second home needed to be added to the list. 43.6% (N=3,195) of respondents rated this as necessary, with 32.4% (N=2,375) indicating no need to add to the list and 24.0% (N=1,760) not having an opinion.

As shown in the chart below second home owners were more likely than other respondents to suggest premium exemptions, with 57.2% (N=1,994) of all second home owners reporting this compared to 31.2% (N=1,201) of all other respondents.



"Do not own a second home" in the chart includes respondents who owned a long-term empty dwelling (but not a second home), as well as respondents who did not own either

"Owning a second home" includes all respondents who owned a second home, whether or not they also owned a long-term empty property

3.9 Note any other second homes that you believe should be exempt from paying the Council Tax Premium

Those who identified the need to add to the exemption list had a chance to detail this. Of the 3,195 who reported "Yes" 97.7% (N=3,122) detailed that in comments.

Comments	Number of comments	% of those who gave comments
Second homes let for holidays or businesses or for tourism purposes	523	16.8%
Frequently used second homes	373	11.9%
All second homes	366	11.7%
Homes inherited and now used as second homes / inherited and intend to keep / homes that have been 'in the family' for a period	268	8.6%
Second homes that have been owned for a certain period of time or purchased before a specified date	191	6.1%

Properties built as Holiday Homes or where permanent residence is prohibited	152	4.9%
Second homes of individuals with a local connection (e.g. family, have lived in Gwynedd or Wales etc) or whose main home is local	146	4.7%
Dwellings on the same site as permanent residence e.g. annex, farm buildings	108	3.5%
Undesirable location / Remote dwellings / Limited access / Limited facilities / Limited use of Council facilities	105	3.4%
Personal use only or not generating income	101	3.2%
Being renovated or awaiting planning permission	92	2.9%
A property that is not suitable for year-round living due to the size or condition of the house, or is a seasonal home, caravan, holiday cabins etc	88	2.8%
Depending on the owner's circumstances e.g. pensioners, illness, where the owner is in a care home or single person	85	2.7%
Related to a job or university - working elsewhere or living elsewhere and working in Gwynedd	76	2.4%
Properties purchased before premium	70	2.2%
Unsuitable homes for locals or first-time buyers	63	2.0%
Properties that have or to be let for long-term rent	59	1.9%
The second home will become the main residence in the future	58	1.9%
A time to consider after a bereavement and inheriting a home	55	1.8%
Charitable, socially useful or enabling charity work e.g. Ukraine, volunteering while there, carting key workers etc	53	1.7%
Holiday homes	42	1.3%
Properties for sale or will be sold	41	1.3%
A second home that has or will be built, developed or improved by the owner	25	0.8%
Second homes under a lease that prohibits letting or subletting property or restricting for personal use only	22	0.7%
Location - Homes in areas of high demand or in areas with few second homes	22	0.7%
Buildings in poor condition	18	0.6%
Second housing that benefits the economy or local (excluding tourism or other category) e.g. employing staff	17	0.5%
Listed buildings	12	0.4%
Second home which is part of another business (not related to tourism) e.g. farm	9	0.3%
High value homes	7	0.2%
Rarely used second homes	7	0.2%
Low value homes	6	0.2%
Empty property	6	0.2%
Registered to vote in their second houses	5	0.2%

Second houses at their only property in the UK	2	0.1%
Lease property	1	0.0%
Owned by an individual not a property company	1	0.0%
Where one of the two homes is rented by the individual	1	0.0%
Properties that are not empty for a long time	1	0.0%

As multiple respondents have made more than one comment the numbers add up to more than 100%

3.10 Any other comments you have about second homes

7 2.7% (N=5,329) of respondents commented further on second homes.

Comments	Number of comments	% of thoes who gave comments
Second home owners contribute to the local economy / local community. Restricting second homes would damage the economy	2731	51.2%
A higher CT premium would target people with a second home, unfairly / unreasonably	892	16.7%
Second homes are a barrier to an affordable housing market for local people / viable communities	548	10.3%
Unfair on families who have inherited a home (including local people) / Unfair on families who have invested in Gwynedd for decades / Unfair on all those who have saved for years to buy a second house	508	9.5%
Local people don't want to buy the houses / The house unsuitable for a family (condition/location) / The house had been on the market for a while before they bought it / Spent thousands renovating an unsuitable house	459	8.6%
The Council should do more to provide and promote affordable housing	426	8.0%
I / people I know would sell their second home if the premium increased	384	7.2%
A premium increase would not help make housing affordable	371	7.0%
Local people also own a second house / Punishment of local people who have invested due to tourism	235	4.4%
Creating jobs / a viable economy is the answer rather than charging a premium	216	4.1%
Need to increase CT premium on second homes as soon as possible	206	3.9%
Second homeowners with their main house outside Gwynedd / North Wales / Wales only charge a premium - no penalising Gwynedd residents	160	3.0%

Need to close any loopholes in terms of taxation (including holiday accommodation taxation)	157	2.9%
The problem of affordable housing should be dealt with in other ways, e.g. planning regulations / restrictions on purchases	156	2.9%
A premium increase would target English people / racially / against human rights	131	2.5%
Council Tax changes should only be introduced in certain areas, depending on local circumstances	122	2.3%
Not fair to pay more tax, when using fewer services than local residents	121	2.3%
Need restrictions on, and better manage the short-term holiday accommodation market	118	2.2%
The '182 day' rule for holiday accommodation to be counted as a business is unrealistic / unfair and means more will have to pay the premium	110	2.1%
An increase in premium would cause an increase in the number of holiday accommodation	98	1.8%
Not clear how the money from any increase (and/or the previous increase) would be used	77	1.4%
Increasing the premium would lead to a change in the nature of second home ownership, with only investors and wealthy people able to afford them	71	1.3%
Any premium should be limited to new purchases, not to people who had previously bought houses	57	1.1%
Increasing premium would cause a collapse in house prices locally, with significant / harmful consequences	44	0.8%
Second homes have no impact on the Welsh language (or are less harmful than if they went to non-Welsh speaking permanent residents)	27	0.5%
Second homes are a complex problem, and any action needs to be taken with care / based on detailed evidence	26	0.5%
Houses that are in the process of being repaired should be exempt / Houses that are not in condition to be sold or rented	23	0.4%
Some houses have been built specifically as second homes and/or restrictions on the amount of time there can be	19	0.4%
It wouldn't 'look good' for Gwynedd to be increasing CT premiums - unsupportive / introspective image	18	0.3%
Not a good time to make any change, due to the state of the economy	8	0.2%
Increasing the premium would only move the problem to another part of Wales	7	0.1%
Not-for-profit social enterprises that run holiday units should be excluded	1	0.0%

As multiple respondents have made more than one comment the numbers add up to more than 100%

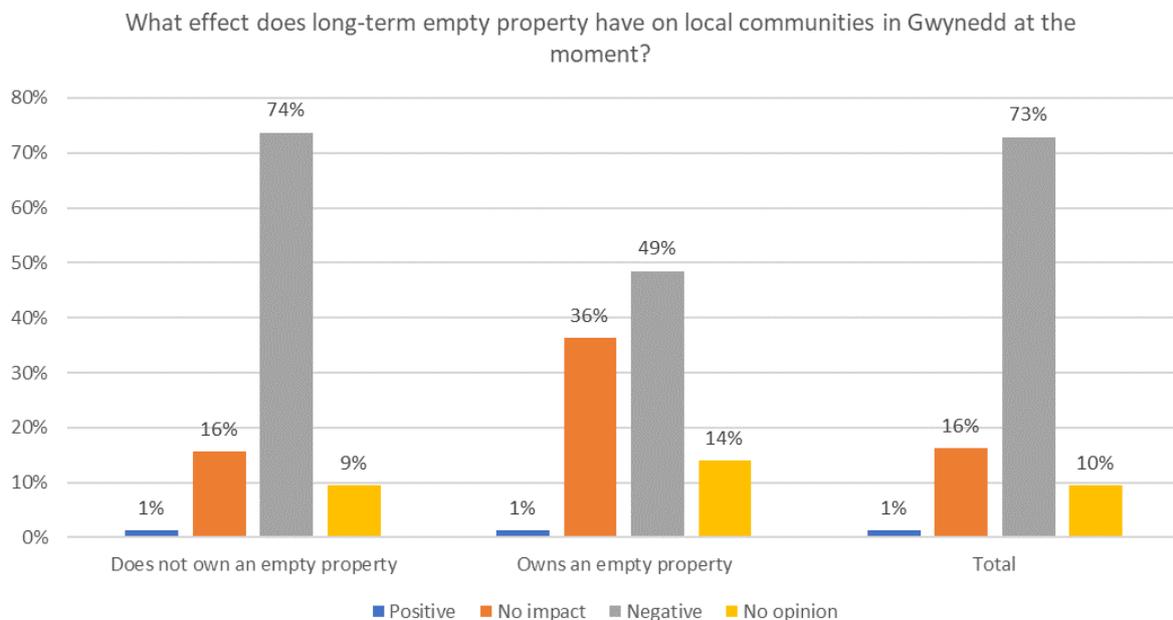
4. Results for Long-Term Empty Properties

This section looks specifically at the results of the questions regarding long-term empty properties.

4.1 What effect does long-term empty property have on local communities in Gwynedd at the moment?

In total the majority of respondents (72.9%, N=5,342) thought long-term empty properties were currently having a negative impact on local communities, while 16.2% (N=1,191) thought they were not having an impact and 1.3% (N=96) thought they had a positive impact. 9.6% (N=701) of respondents had no opinion on this.

However, by looking at differences between respondents who own long-term empty properties and those who do not, there is some difference in the opinion as shown in the chart below.



"Do not own long-term empty property" includes respondents who owned a second home (but not a long-term empty property), as well as respondents who did not own either

"Owning a long-term empty property" includes all respondents who owned long-term empty properties, whether or not they also owned a second home.

The table below details the responses by category of respondents. The main clear difference is that respondents who own a long-term empty property are more likely than other respondents to think it has no impact on local communities: 37.3% of those with long-term empty properties, and 30.6% of those with long-term empty properties and a second home thought there is no impact. This compares to 13.4% of respondents who did not have a long-term empty property or a second home, and 17.9% of respondents who have a second home.

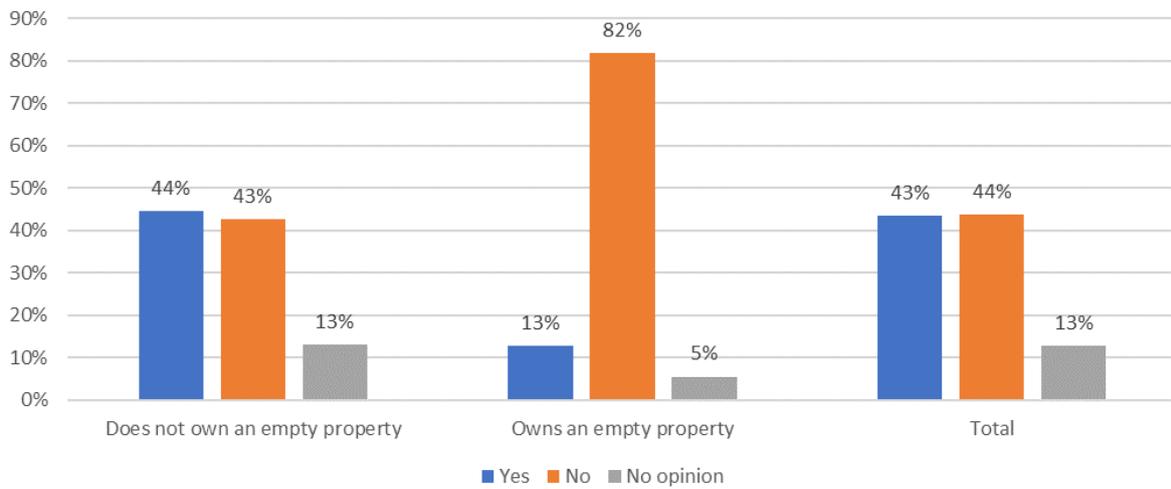
	Positive effect		No effect		Negative effect		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	45	1.2%	487	13.4%	2,886	79.2%	228	6.3%	3,646	100.0%
Own a second home	48	1.4%	618	17.9%	2,341	67.9%	440	12.8%	3,447	100.0%
Own a long-term empty property	3	1.5%	75	37.3%	95	47.3%	28	13.9%	201	100.0%
Owning a second home and long-term empty property	-	-	11	30.6%	20	55.6%	5	13.9%	36	100.0%
Total	96	1.3%	1,191	16.2%	5,342	72.9%	701	9.6%	7,330	100.0%

4.2 Currently the Council Tax Premium on long-term empty properties is 100%. The Council is considering whether to increase the level of the Council Tax Premium. Do you think this is appropriate?

Overall the views of respondents were very divided with 43.8% (N=3,210) thinking that increasing the premium on long-term empty properties would not be appropriate, and 43.4% (N=3,181) thinking it would be appropriate. 12.8% (N=939) of respondents had no opinion on this.

However, looking at differences between respondents who own long-term empty properties and those who do not, a significant difference in opinion is seen as shown in the chart below.

In your opinion is it appropriate to increase the level of the council tax premium on long-term empty properties?



"Do not own long-term empty property" includes respondents who owned a second home (but not a long-term empty property), as well as respondents who did not own either

"Owning a long-term empty property" includes all respondents who owned long-term empty properties, whether or not they also owned a second home.

The table below details the responses by category, and shows that the vast majority (84.1%) of respondents who own long-term empty properties oppose increasing the level of premium on these properties, while among respondents who do not own a second home or long-term empty property, the majority (55.8%) were in favour of increasing the premium.

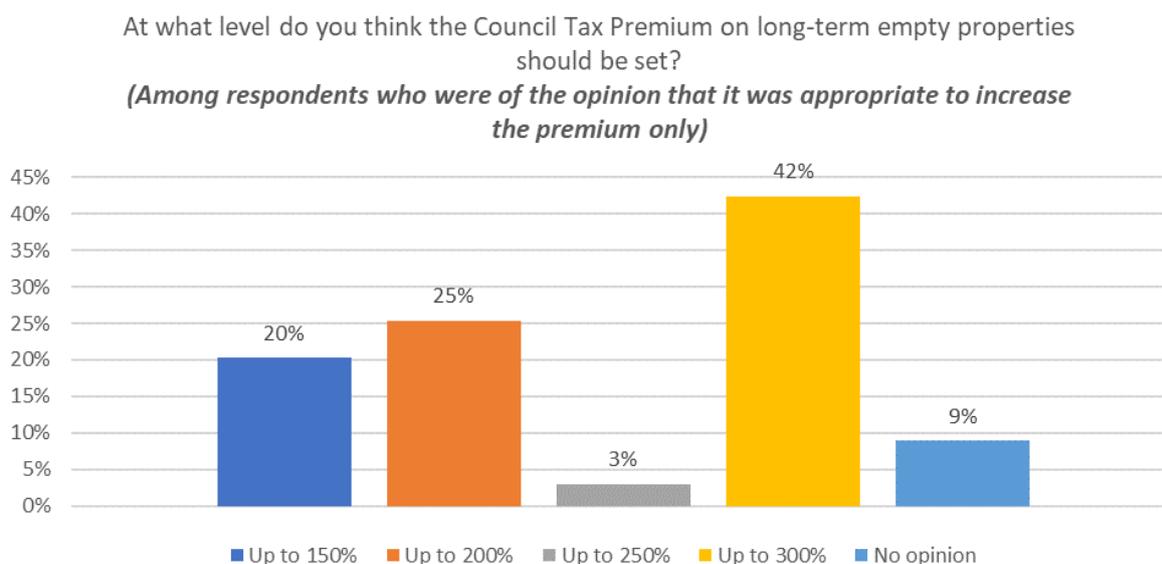
Among second home owners the response was more mixed with 48.9% opposed to increasing the premium on long-term empty properties and 32.4% in favour of increasing it. For the small number of respondents who own long-term empty and second homes, 69.4% opposed increasing the premium on long-term empty properties.

	Yes		No		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	2,035	55.8%	1,330	36.5%	281	7.7%	3,646	100.0%
Own a second home	1,116	32.4%	1,686	48.9%	645	18.7%	3,447	100.0%
Own a long-term empty property	23	11.4%	169	84.1%	9	4.5%	201	100.0%
Owning a second home and long-term empty property	7	19.4%	25	69.4%	4	11.1%	36	100.0%
Total	3,181	43.4%	3,210	43.8%	939	12.8%	7,330	100.0%

4.3 At what level do you think the Council Tax Premium on long-term empty properties should be set?

The 3,181 respondents who thought increasing the council tax premium level on long-term empty properties was appropriate, had the opportunity to then give their views on the level that should be set.

Among these respondents, 42.4% (N=1,350) believed the premium should be increased by up to 300%, with a further 25.4% (N=808) believing it should be increased by up to 200% and 20.3% (N=645) for increasing it up to 150% (chart below).



The full results by respondent category are shown in the table below but noting that since many respondents who own long-term empty properties were not in favour of increasing the premium at all, the percentages in these categories were based on small numbers.

	Up to 150%		Up to 200%		Up to 250%		Up to 300%		No opinion		Total
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age	No.
Owning neither a second home nor empty property	320	15.7%	462	22.7%	70	3.44%	1,083	53.2%	100	4.9%	2,035
Own a second home	317	28.4%	338	30.3%	25	2.2%	259	23.2%	177	15.9%	1,116
Own a long-term empty property	6	26.1%	8	34.8%	-	-	7	30.4%	2	8.7%	23
Owning a second home and long-term empty property	2	28.6%	-	-	-	-	1	14.3%	4	57.1%	7
Total	645	20.3%	808	25.4%	95	3.0%	1,350	42.4%	283	8.9%	3,181

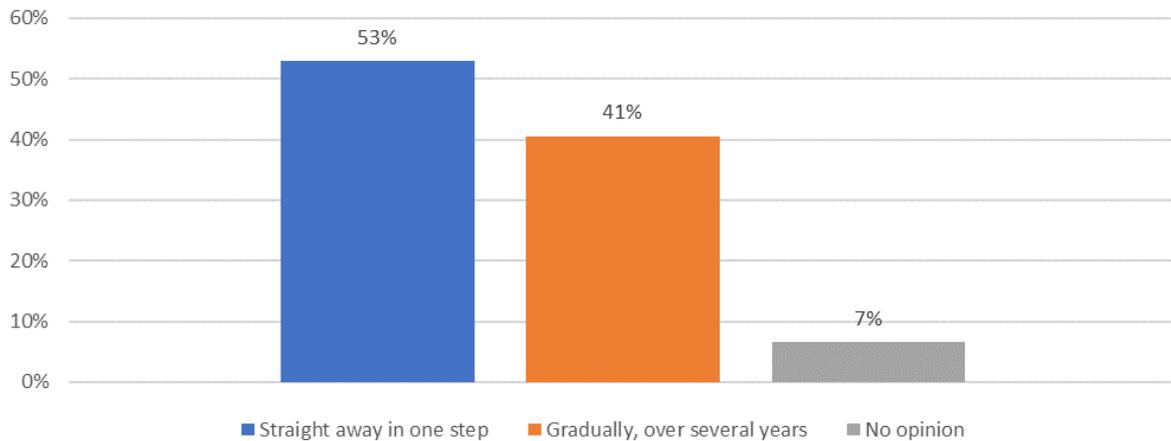
A question only relevant to the respondents who were in favour of increasing the premium on long-term empty properties

4.4 How should the Council Tax Premium on long-term empty properties be introduced?

There was also an opportunity for the 3,181 respondents who thought increasing the council tax premium level on long-term empty properties was appropriate, to give their views on how the increase should be delivered.

Among these respondents, about half (52.9%, N=1,684) believed the premium should be increased immediately in a single step, with 40.6% (N=1,290) believing it should be phased in over several years (chart below).

How should the Council Tax Premium on long-term empty properties be introduced?
(Among respondents who were of the opinion that it was appropriate to increase the premium only)



Again, the full results by respondent category are shown below but noting again that as many respondents who own long-term empty properties were not in favour of increasing the premium at all, the percentages within these categories were based on small numbers.

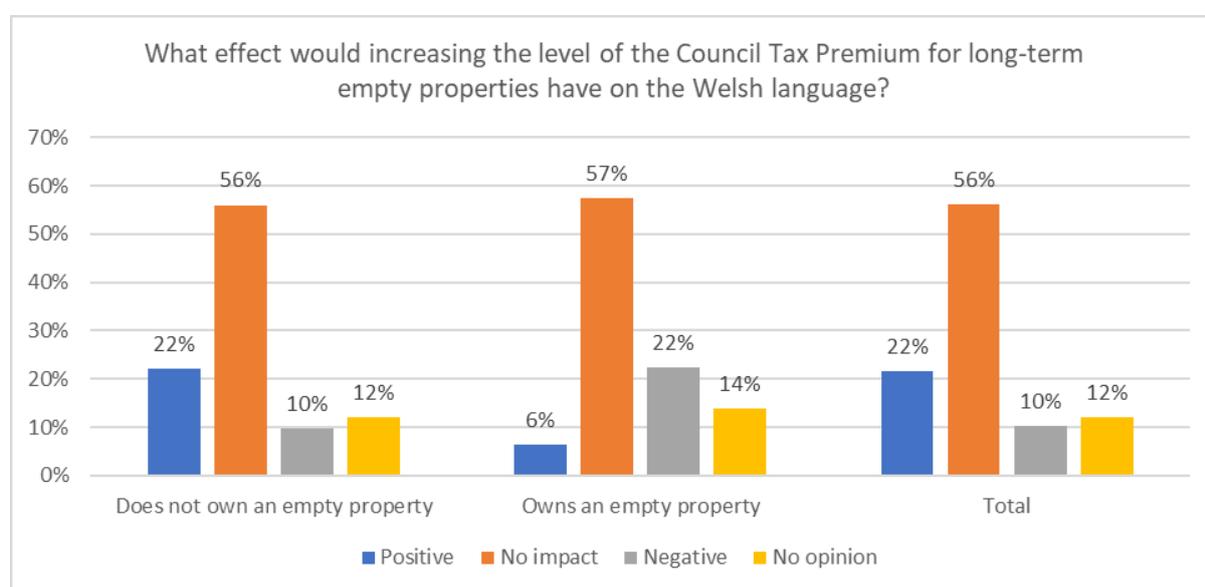
	Immediately, in one step		Gradually, over several years		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,313	64.5%	645	31.7%	77	3.8%	2,035	100.0%
Own a second home	365	32.7%	623	55.8%	128	11.5%	1,116	100.0%
Own a long-term empty property	5	21.7%	17	73.9%	1	4.3%	23	100.0%
Owning a second home and long-term empty property	1	14.3%	5	71.4%	1	14.2%	7	100.0%
Total	1,684	52.9%	1,290	40.6%	207	6.5%	3,181	100.0%

A question only relevant to the respondents who were in favour of increasing the premium on long-term empty properties

4.5 What effect would increasing the level of the Council Tax Premium for long-term empty properties have on the Welsh language?

In total just over half of respondents (55.1%, N=3,433) thought that increasing the level of premium on long-term empty properties would not have any effect on the Welsh language. 21.7% (N=1,588) thought there would be a positive effect and 10.2% (N=748) thought there would be a negative effect.

Looking at differences between respondents who own long-term empty properties and those who do not, it is seen (chart below) that owners of long-term empty properties are somewhat more inclined to believe that the Welsh language would be negatively impacted if the premium was increased (and less inclined to believe that there would be a positive impact).



"Do not own long-term empty property" includes respondents who owned a second home (but not a long-term empty property), as well as respondents who did not own either

"Owning a long-term empty property" includes all respondents who owned long-term empty properties, whether or not they also owned a second home.

The table below details the response by category, and shows that 58.7% of respondents who own long-term empty properties believe that increasing the level of premium would have no impact on the Welsh language, with 21.4% believing that increasing the premium would have a negative impact.

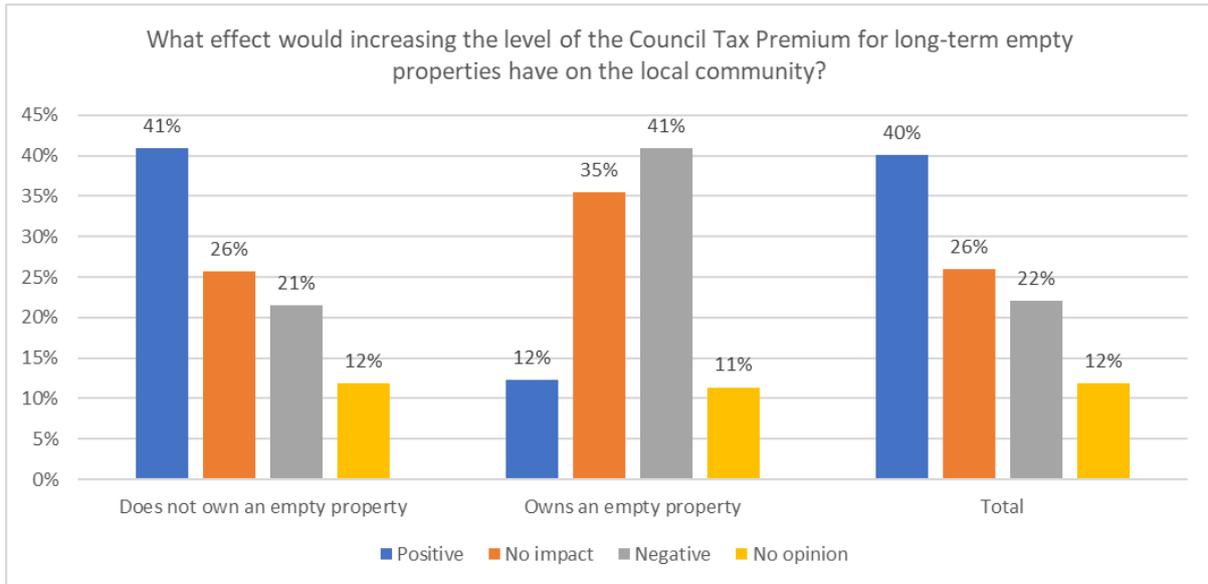
The majority of second home owners (67.3%) felt that increasing the premium on long-term empty properties would have no impact on the Welsh language. But among respondents who do not own a second home or long-term empty property, opinion was somewhat more divided with 45.3% believing it would not have an impact on the Welsh language, 36.7% believing it would have a positive impact and 9.5% believing it would have a negative impact.

	Positive effect		No effect		Negative effect		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,339	36.7%	1,650	45.3%	346	9.5%	311	8.5%	3,646	100.0%
Own a second home	234	6.8%	2,321	67.3%	349	10.1%	543	15.8%	3,447	100.0%
Own a long-term empty property	14	7.0%	118	58.7%	43	21.4%	26	12.9%	201	100.0%
Owning a second home and long-term empty property	1	2.8%	18	50.0%	10	27.8%	7	19.4%	36	100.0%
Total	1,588	21.7%	4,107	56.0%	748	10.2%	887	12.1%	7,330	100.0%

4.6 What effect would increasing the level of the Council Tax Premium for long-term empty properties have on the local community?

In total opinion on this question was quite divided with 40.0% (N=2,935) of respondents thinking that increasing the level of premium on long term empty property would have a positive impact on the local community, 26.0% (N=1,905) believing there would be no impact and 22.1% (N=1,619) thought there would be a negative impact. 11.9% (N=871) of respondents had no opinion on this.

However looking separately at the responses of those who own long-term empty properties and those who do not, a significant difference in opinion is seen as shown in the chart below.



"Do not own long-term empty property" includes respondents who owned a second home (but not a long-term empty property), as well as respondents who did not own either

"Owning a long-term empty property" includes all respondents who owned long-term empty properties, whether or not they also owned a second home

The table below details the response by category, and shows that 42.3% of respondents who own long-term empty properties believe that increasing the level of premium would have a negative impact on the local community, with 34.8% believing it would have no impact.

Among respondents who do not own a second home or long-term empty property, the majority (53.6%) believed increasing the premium would have a positive impact on the local community, 21.5% believed there would be no impact, and 17.7% believed there would be a negative impact.

Among those owning a second home, opinion was sharply divided with 30.1% believing there would be no impact, 27.6% thought there would be a positive impact and 25.4% thought there would be a negative impact.

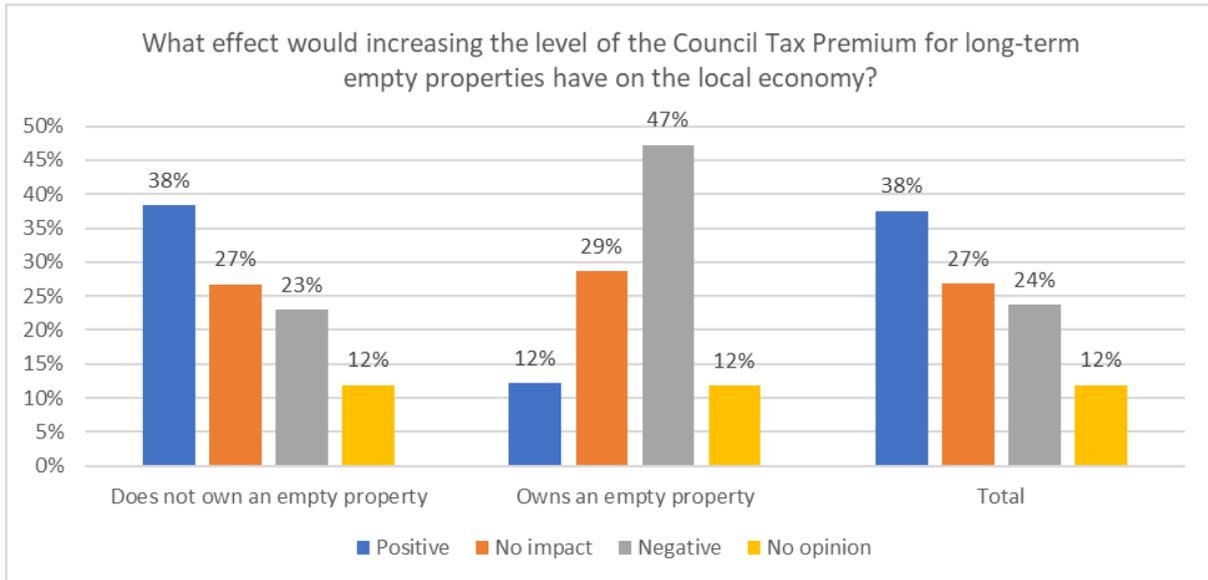
Among the small number of respondents who own long-term empty properties and a second home, 38.9% thought there would be no impact on the local community, and 33.3% thought there would be a negative impact.

	Positive effect		No effect		Negative effect		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,954	53.6%	783	21.5%	645	17.7%	264	7.2%	3,646	100.0%
Own a second home	952	27.6%	1,038	30.1%	877	25.4%	580	16.8%	3,447	100.0%
Own a long-term empty property	27	13.4%	70	34.8%	85	42.3%	19	9.5%	201	100.0%
Owning a second home and long-term empty property	2	5.6%	14	38.9%	12	33.3%	8	22.2%	36	100.0%
Total	2,935	40.0%	1,905	26.0%	1,619	22.1%	871	11.9%	7,330	100.0%

4.7 What effect would increasing the level of the Council Tax Premium for long-term empty properties have on the local economy?

Overall there was also considerable difference of opinion on this question with 37.5% (N=2,752) of all respondents believing that increasing the premium on long-term empty properties would have a positive impact on the local economy. 26.8% (N=1,964) thought there would be no impact, and 23.7% (N=1,740) thought there would be a negative impact. 11.9% (N=874) of respondents had no opinion on this.

However, by looking at differences between respondents who own long-term empty properties and those who do not, a significant difference in opinion is seen as shown in the chart below.



"Do not own long-term empty property" includes respondents who owned a second home (but not a long-term empty property), as well as respondents who did not own either

"Owning a long-term empty property" includes all respondents who owned long-term empty properties, whether or not they also owned a second home

The table below details the response by category, and shows that 48.3% of respondents who own long-term empty properties believe increasing the premium level would have a negative impact on the local economy. 29.4% thought increasing the premium would have no effect.

Among respondents who do not own a second home or long-term empty property, 49.3% believed increasing the premium would have a positive impact on the local economy, 23.4% believed it would have no impact and 19.6% believed it would have a negative impact.

Among those owning a second home, opinion was split with 30.2% feeling that increasing the premium on long-term empty properties would have no impact on the local economy, 26.8% thinking there would be a positive impact and 26.5% believing there would be a negative impact .

Among the small number of respondents who own long-term empty properties and a second home, 41.7% believed that increasing the premium would have a negative impact on the local economy, while 25.0% believed it would have no impact.

	Positive effect		No effect		Negative effect		No opinion		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Owning neither a second home nor empty property	1,799	49.3%	854	23.4%	714	19.6%	279	7.7%	3,646	100.0%
Own a second home	924	26.8%	1,042	30.2%	914	26.5%	567	16.4%	3,447	100.0%
Own a long-term empty property	24	11.9%	59	29.4%	97	48.3%	21	10.4%	201	100.0%
Owning a second home and long-term empty property	5	13.9%	9	25.0%	15	41.7%	7	19.4%	36	100.0%
Total	2,752	37.5%	1,964	26.8%	1,740	23.7%	874	11.9%	7,330	100.0%

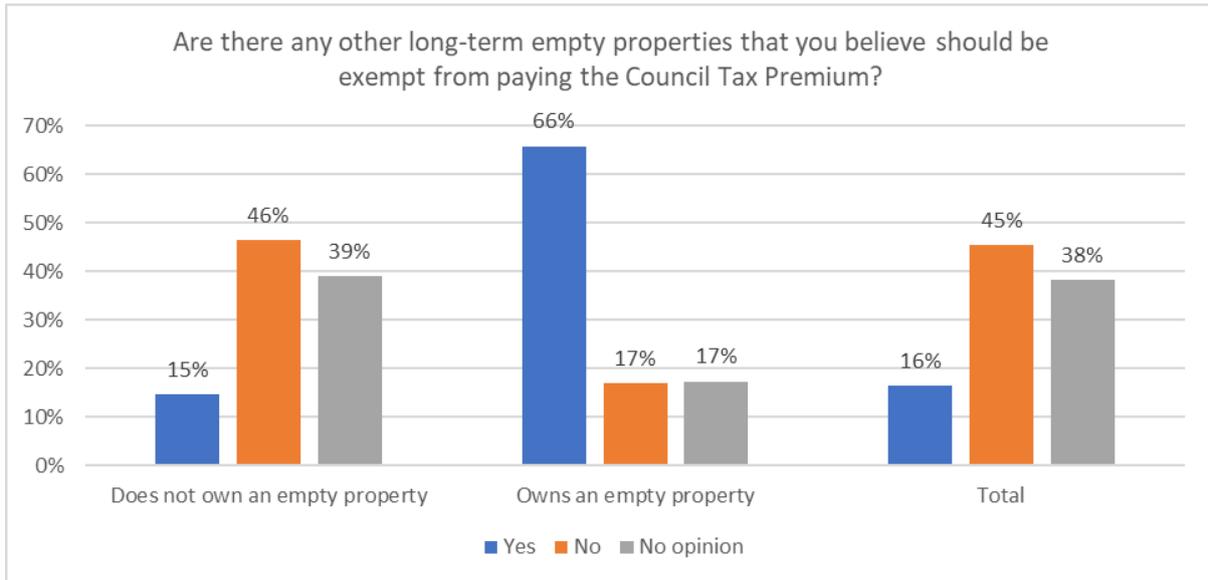
4.8 Are there other long-term empty properties that you believe should be exempt from paying the Council Tax Premium?

The following long-term empty properties are statutorily exempt from being subject to the Premium:

- Dwellings being marketed for sale – time-limited for one year
- Dwellings being marketed for let – time-limited for one year
- Annexes forming part of, or being treated as part of, the main dwelling
- Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation

Respondents had an opportunity to consider whether any type of other long-term empty property needed to be added to the list. 16.3% (N=1,196) of respondents rated this as necessary, with 45.4% (N=3,329) indicating no need to add to the list and 38.3% (N=2,805) not having an opinion.

As shown in the chart below respondents owning long-term empty properties were more likely than other respondents to suggest premium exemptions, with 65.8% (N=156) of all long-term empty property owners reporting this compared to 14.7% (N=1,040) of all other respondents.



"Do not own long-term empty property" includes respondents who owned a second home (but not a long-term empty property), as well as respondents who did not own either

"Owning a long-term empty property" includes all respondents who owned long-term empty properties, whether or not they also owned a second home

4.9 Note any other long-term empty properties that you believe should be exempt from paying the Council Tax Premium

Those who identified the need to add to the exemption list had a chance to detail this. Of the 1,196 who reported "Yes", 92.7% (N=1,109) detailed that in comments.

Comment	Number of comments	% of number who gave comments
Properties undergoing major renovations (difficult to get workers)	230	20.7%
Inherited/"probate" properties	188	17.0%
Empty due to having to go to care/hospital	111	10.0%
Properties that have been for sale/for rent for a long time	95	8.6%
Need to increase the exemption period to more than 12months	89	8.0%
Properties that are not fit for habitation	79	7.1%
All long-term empty properties	78	7.0%
Holiday accommodation	49	4.4%
Second homes in use	48	4.3%
Agree with list	39	3.5%

Empty properties that are part of the main home and difficult to separate for sale/rent e.g. farm properties	36	3.2%
Property has been owned by the family for generations	34	3.1%
Property awaiting planning permission/change of use / through the courts	32	2.9%
Welsh owned property/local person	30	2.7%
Properties where the owner has had to go away to work but plans to return in the future	26	2.3%
Properties with historic/listed value	26	2.3%
Empty property with business involved	16	1.4%
Properties not receiving services from the Council	15	1.4%
No more tax should be levied on any property whether empty or not	14	1.3%
Need better definition of "long term"	12	1.1%
Eto it void where the owner intends to come to live permanently in the future	12	1.1%
Empty property owned by charity/community	10	0.9%
Powers for the Council to compel someone to sell the property to them if it has been empty for a certain period	9	0.8%
Property with restrictions or deeds of covenant	9	0.8%
Empty property owned by pensioners	8	0.7%
Property where a holiday home was the original purpose	7	0.6%
Static caravans / chalet/annex	5	0.5%
Empty property because the owner is in jail	3	0.3%
Empty houses in multiple occupation (HMO)	3	0.3%
Need to look at each request individually	3	0.3%
Properties that have been empty for less than 5 years	2	0.2%
Properties where people have owned them for years e.g. 10 years	2	0.2%
Property owner with disability or long-term illness	1	0.1%
Commercial properties	1	0.1%
Need to charge premium on empty commercial buildings	1	0.1%
Don't agree with the list - annex shouldn't be excluded	1	0.1%

4.10 Please provide any other comments you have about long-term empty properties

Of the respondents, 32.9% (N=2,415) gave further comments about long term empty dwellings.

Comment	Number of comments	% of number who gave comments
With such a shortage of housing in the area needing to encourage/motivate owners of long-term empty properties to sell/rent to local people	477	19.8%
Compulsory Purchase by the Council after a certain period of property being empty - developing into homes for local people	306	12.7%
Has the Council spoken to owners of empty properties to understand why it is empty rather than raising the premium - need to decide the premium level case by case	274	11.3%
Long term empty properties can be messy and have an impact on neighbouring properties/image of the area/vandalism	260	10.8%
Long-term empty properties much more of a problem for communities than second homes	259	10.7%
Premium is a good idea but there must be exceptions e.g. when someone has to go into a care home/go through "probate"/major renovations	238	9.9%
Long-term empty properties no help to local economy	200	8.3%
The premium should force owners to do something with them	152	6.3%
Need to increase the exemption period - more than 12 months	127	5.3%
Grants for local people to develop empty properties	122	5.1%
Council's lazy way to raise money instead of looking at their spending	98	4.1%
Need a better definition of "long term" and the difference between a second home/holiday accommodation and an empty property	97	4.0%
Long-term empty properties have impact on local community and Welsh language	93	3.9%
Figures on the number of empty properties in Gwynedd would have been useful in answering the consultation	80	3.3%
This will lead to more empty properties being put on the market	78	3.2%
Now is not the time to raise council tax - the cost of living high enough already	77	3.2%
Empty properties become harder to sell/rent due to economic situation	71	2.9%
It will have a negative impact on tourism	69	2.9%
Raising the premium may have the opposite effect to what it intends to have	64	2.7%
Premium would be a barrier to investment/expenditure in the area	59	2.4%

Many of these empty properties are not going to be suitable for housing needs in the community, including young families	56	2.3%
Need to ensure that some do not take advantage of the exemptions to avoid paying extra tax	49	2.0%
Gwynedd Council needs to focus on creating more jobs in the area	46	1.9%
Long-term empty properties where there are no improvement or sale plans should pay the premium	45	1.9%
The Council should have built far more affordable homes than they have done	42	1.7%
Is there evidence that the 100% premium is invested in the communities?	41	1.7%
Need to look at planning rules - making it easier to bring empty properties back into use / regulations that only allow local people	40	1.7%
The premium should remain 100%	39	1.6%
Questionnaire biased and narrow and not unbiased	34	1.4%
Further legislations are needed to protect property for the benefit of local communities and individuals and not punish them	33	1.4%
Some empty properties have been in family ownership for centuries	31	1.3%
Premium goes against human rights /racist	31	1.3%
People should be helped to renovate ruins	29	1.2%
Need to focus on empty commercial properties first	27	1.1%
Some empty properties bought for future living	26	1.1%
Empty properties should pay less council tax and not more - receive no services	20	0.8%
The Council should help owners bring properties into use rather than penalise them: co-operation	20	0.8%
Empty properties could not be faulted for a decline in the Welsh language	17	0.7%
Premium not fair if it's not used the same throughout the country	16	0.7%
Need to make clear/sufficient notice when the changes will happen	15	0.6%
Premium should be payable by locals identically	13	0.5%
Strict rules for landlords stop them renting the houses to people	12	0.5%
Properties furnished despite being uninhabited should not be included	11	0.5%
Raising the premium would have a negative impact on the economy	10	0.4%
Council tax should be levied on caravans that are re-homes	7	0.3%
This will lead to more empty properties turning into holiday accommodation	7	0.3%
Raising the premium would not have much impact in itself on the use of empty properties	6	0.2%
Raising the premium will create more work for Council staff e.g. going after non-paying	4	0.2%

Empty properties not a huge problem in the area	4	0.2%
Offer a different premium percentage	2	0.1%
No one from outside Gwynedd should be allowed to consult on Council Tax policy	1	0.0%
Changing property names to English names should not be allowed	1	0.0%
The premium should be dependent on income testing	1	0.0%

Appendix: Equality Questions

1. Sex

Category	Number	Percentage
Woman / Female	3,162	43.1%
Man / Male	3,491	47.6%
I identify in a different way:	25	0.3%
I prefer not to say	652	8.9%
Total Responses	7,330	100.0%

2. Age

Category	Number	Percentage
15 years old or younger	1	0.0%
16 - 24 years old	106	1.4%
25 - 34 years old	428	5.8%
35 - 44 years old	772	10.5%
45 - 54 years old	1,474	20.1%
55 - 64 years old	1,806	24.6%
65 - 74 years old	1,405	19.2%
75 - 84 years old	626	8.5%
85+ years old	101	1.4%
I prefer not to say	611	8.3%
Total Responses	7,330	100.0%

3. Nationality or national identity

Category	Number	Percentage
Scottish	41	0.6%
Welsh	2,556	34.9%
Northern Irish	20	0.3%
British	2,111	28.8%
English	1,702	23.2%
Other	249	3.4%
I prefer not to say	651	8.9%
Total Responses	7,330	100.0%

4. Race

Category	Number	Percentage
Asian	15	0.2%
Mixed / several ethnic groups	50	0.7%
Black / African Caribbean	7	0.1%
White	6,319	86.2%
Gypsy / Irish Traveller	1	0.0%
Other	52	0.7%
I prefer not to say	886	12.1%
Total Responses	7,330	100.0%

5. Religion

Category	Number	Percentage
Buddhist	15	0.2%
Christian	3,744	51.1%
Hindu	3	0.0%
Jewish	9	0.1%
Muslim	8	0.1%
Sikh	2	0.0%
No religion	2,249	30.7%
Other	115	1.6%
I prefer not to say	1,185	16.2%
Total Responses	7,330	100.0%

6. Sexuality

Category	Number	Percentage
Bisexual	49	0.7%
Gay man	61	0.8%
Gay woman / lesbian	28	0.4%
Heterosexual / Straight	5,660	77.2%
Other	109	1.5%
I prefer not to say	1,377	18.8%
Did not answer	46	0.6%
Total Responses	7,330	100.0%

7. Has your gender identification changed from that assigned to you at birth?

Category	Number	Percentage
No	6,086	83.0%
Yes	89	1.2%
I prefer not to say	1,076	14.7%
Did not answer	79	1.1%
Total Responses	7,330	100.0%

8. Disability

Category	Number	Percentage
No	5,989	81.7%
Yes	366	5.0%
I prefer not to say	975	13.3%
Total Responses	7,330	100.0%

9. Welsh Language skills

Category*	Number	Percentage
Speak Welsh	2,593	35.4%
Understand spoken Welsh	2,591	35.3%
Read Welsh	2,024	27.6%
Write in Welsh	1,670	22.8%
I can't understand Welsh	1,741	23.8%
I prefer not to say	1,580	21.6%
Other	229	3.1%

*could choose more than one category

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Assessing the Impact on Protected Characteristics, the Welsh Language and Socio-Economic Disadvantage

For help to complete this form see the *How to Undertake an Equality Impact Assessment* leaflet. You are also welcome to contact Delyth Gadlys Williams, Policy and Equality Officer on ext. 32708 or DelythGadlysWilliams@gwynedd.llyw.cymru for further assistance.

The Council's is required (under the Equality Act 2010) to consider the effect any change in policy or procedure (or the creation of a new policy or procedure), has on people with protected equality characteristics. The Council also has a general duty to ensure fairness and foster good relations. A timely Equality Impact Assessment must be undertaken before making any decision on any relevant change (i.e. which has an effect on people with protected characteristics).

The Council is also required, under the requirements of the Welsh Language Standards (Section 44 of the Welsh Language (Wales) Measure 2011) to consider the effect of a change in any policy or procedure (or the creation of a new policy or procedure), in its opportunities for people to use Welsh and to ensure that Welsh is not treated less favourably than English. This document therefore ensures that these decisions protect and promote the use of the Welsh language.

From April 1st 2021 the Council has a duty to have due regard to tackling socio-economic disadvantage in strategic decisions.

1) Details

1.1. What is the name of the policy / service in question?

Council Tax Premium on Long-term Empty Dwellings and Second Homes

1.2 What is the purpose of the policy / service that is being created or amended? What changes are being considered?

Between April 2018 and March 2021 the Council charged a premium of 50% on the Council Tax of second homes and long-term empty dwellings, and since 1 April 2021 the Premium level has increased to 100%. From 1 April 2023 the legislation will change and the Council will have the right to increase the Premium to 300%.

The full Council will need to make its decision at the Premium level for the 2023/24 financial year at its meeting on 1 December 2022 based on a recommendation to be decided by Cabinet at its meeting on 22 November.

At its meeting on 27 September 2022, Cabinet agreed to hold a public consultation on how it should respond to the change of legislation enabling the Council to increase the level of Premium beyond the current 100%.

I.3 Who is responsible for this assessment?

Dewi Morgan, Head of Finance

I.4 When did you commence the assessment? Which version is this?

15 December 2020. This assessment began after Cabinet decided that it would undertake a public consultation to ascertain public opinion on the proposal to change the Premium rate.

The assessment has been reviewed and updated in November 2021 to take account of the duty to have due regard to tackling socio-economic disadvantage in strategic decisions.

It has been modified and updated again in October / November 2022 to take into account the results of the public consultation launched in September 2022.

2) Action

2.1 Who are the stakeholders or partners you need to work with to undertake this assessment?

The Council has the power under the Local Government Finance Act 1992 (as amended) to adjust the Level of Premium by up to 300% from 1 April 2023 onwards, after the Act was amended by *The Council Tax (Long-term Empty Dwellings and Dwellings Occupied Periodically) (Wales) Regulations 2022 (SI 2022/370 W.90)*. The previous maximum was 100%. However, it is an explicit expectation that we should consult with the public and key stakeholders. A public consultation was held, with attention given in the local press and on social websites, and the Council wrote to owners of properties subject to the Premium.

The partners and key stakeholders were:

Gwynedd Residents
Taxpayers on empty properties and second homes

There was collaboration with several internal partners, e.g.:

Finance Department
Corporate Support Department
Gwynedd Council Cabinet Members
Full Council

2.2 What measures have you taken to engage with people with equality characteristics, regarding the Welsh language or with communities (either of place or of need) that live with socio-economic disadvantage?

We have endeavoured to identify individuals with protected characteristics as the public consultation asks respondents to inform us of any protected characteristics so that these can be taken into account in the development of the policy.

The consultation was public and the questionnaire was available to anyone to complete online. Two press releases raising awareness of it were issued, and social media was used to raise awareness.

The Council wrote to all households subject to the Premium with a letter drawing their attention to the consultation. Where the different correspondence address was recorded in the Council Tax system, this was used. The letter referred to the Council's website and the opportunity to complete the questionnaire there, but the Council's website stated that anyone could contact the Council if they wished to receive a paper copy of the consultation.

2.3 What was the result of the engagement?

A public consultation was held between 30 September and 28 October 2022. 7,330 responses were received on the formal questionnaire, as well as around 100 separate letters and messages expressing dissatisfaction with the proposal. 7,330 responses were received to the questionnaire. There were 7,277 online questionnaire responses and 53 paper responses. This is the largest number of responses the Council has seen to any consultation in recent years.

Just over half of respondents (50.3%, N=3,684) owned either a second home or a long-term empty dwelling in Gwynedd (or both).

In total, three-quarters of respondents (75.0%, N=5,497) considered it not appropriate to increase the level of Council Tax Premium on second homes. 24.1% (N=1,764) thought it appropriate to increase it, with 0.9% (N=69) not having an opinion. However by separating the answers between respondents who own a second home and those who do not, there is some difference of opinion with the overwhelming majority of respondents who own a second home opposing increasing the premium level. Among respondents who do not own a second home the view was more divided, but with this majority also of the opinion that it would not be appropriate to increase the premium.

Respondents' comments were sought on the impact of the Premium on a number of aspects of social issues. A number of those who opposed the increase indicated that they had owned their property in Gwynedd for several years, and were very fond of the area. On the other hand, some of those responding claimed that there was a racist motive behind the intention to increase the Premium as the Council is against people from outside Gwynedd and that it is racist. No evidence was submitted to support this view.

There are two different categories of properties subject to the Premium, namely second homes and long-term empty properties.

Very few people want to pay more tax, and there was vehement opposition from second home owners in particular. It stands to reason that increasing the level of premium would have a financial impact on these individuals, but there was no evidence that any protected group would be affected. However, a number of those who have responded to the enquiry claim that the policy of raising the Premium is racist, anti-English, although no discrimination exists when setting the premium.

The consultation included an equality questionnaire. This suggested that a higher proportion of second home owners than the general population are older people.

2.4 On the basis of what other evidence are you operating?

The Equality Act 2010 allows the Council to act positively towards some cohorts if there is evidence of need ("take action to meet the needs of people from protected groups where

these differ from the needs of others"). Several studies by the Council have identified that there is a problem with the availability of housing for young families in Gwynedd, so we have identified a problem and are taking steps to deal with that. Young people have been priced out of the local housing market.

On 9 November 2022 there were:

- 4,564 dwellings subject to the Premium on second homes (Class B)
- 229 of further second homes in Class B but not paying the Premium as they were subject to one of the exemptions outlined in Part 8 below.
- 753 properties within Class A where the possession is prohibited for a period of at least 28 days in the relevant year.

At the same time, 1,099 properties were subject to the Premium on a long term empty dwelling

Study on the Effect of Holiday Homes

A key consideration by the Council when setting the Premium for 2023/24 will be the detailed report Holiday Homes Research Work that was submitted to the Cabinet meeting on 15 December 2020:

<https://democracy.gwynedd.llyw.cymru/documents/s27960/Item%208%20-%20Report%20Holiday%20Homes.pdf>

This follows a similar study carried out in 2013.

This report shows that the total number of holiday homes (second homes and self-catering holiday units) within Gwynedd continues to increase, and asks for the Cabinet's commitment to take decisive action to address the situation.

The study is the result of detailed research that has been undertaken over recent months, and highlights that there are a number of factors that influence Gwynedd's housing stock. It builds on studies that have been undertaken in the past and highlights that there are pressing issues that continue to need attention, and that the situation within Gwynedd communities, particularly those that attract visitors, is intensifying.

Whilst the scope of the study also extends to planning issues, leading attention is given to the financial incentive that exists of owning a holiday home as well as the taxation advantage that exists of meeting the legal thresholds for transferring property to the non-domestic rates regime (these properties are not subject to the premium).

Property Values

Second home Council Tax bands are generally higher than Gwynedd properties as a whole. In October 2022, 32.1% of Gwynedd's second homes were in Council Tax Band E or above, compared with 22.1% of Gwynedd properties overall. On the other hand, long-term empty property bands are lower. Only 17.6% of these properties are in band E or above.

One of the themes emerging from the consultation was that a number of second homes were a family home that had been inherited and retained by the family, or that the property had been owned by the family as a second home for a number of years.

2.5 Are there any gaps in the evidence that needs to be collected?

Apart from the sense of some respondents that Gwynedd Council is generally racist by considering raising the Premium and then increasing it, no evidence has been received to support that as studies have been undertaken suggesting that action is needed to address housing problems in rural areas of Gwynedd.

3) Identifying the Impact

3.1 The Council must give due regard to the effect any changes will have on people with the equality characteristics noted below. What impact will the new policy/service or the proposed changes in the policy or service have on people with these characteristics?

Characteristics	What type of impact?*	In what way? What is the evidence?
Race (including nationality)	Positive	The policy of charging a premium is intended to address the situation that housing is not available to local people, and the impact is positive on this cohort.
	Negative	<p>The policy will affect people from outside Gwynedd and some respondents to the public consultation claim that the Policy would be racist as it targets people from outside Wales. However, there is no consideration of the race of the property owners when a premium is charged on second homes and long-term empty properties.</p> <p>The Premium is charged on all second homes and long-term empty properties without in any way discriminating on where the owners live or what their race or nationality is. However, we recognise that the public consultation shows that a significant proportion of second home owners identify themselves as English and therefore it is likely that the policy will have a negative financial impact on this cohort. However, the money will be used to develop the housing market for local People, which is a positive outcome.</p>
Disability	Insignificant	There is a small possibility of differentiation indirectly on the grounds of disability if a disabled person keeps an adapted property in Gwynedd as they cannot have a holiday elsewhere.
Sex	None	No impact has been identified
Age	Positive	A 2013 study showed that the demographic makeup of communities with high proportions of second homes was different; in general, the resident population is 'older'. This affects the balance of communities and will have an impact on the future resilience and sustainability of these areas.

		<p>It went on to note that the profiles of second home owners themselves suggested that they were generally middle-aged or retired, and richer than the national average. Shelter (2011) (<i>Taking Stock, an assessment of under-utilisation of housing stock in England</i>) estimated that 60% of second home owners nationally were aged between 45 and 60 compared with 40% across all owner-occupied in this age group. The responses from the current public consultation have suggested the same.</p> <p>Therefore, there is evidence that the financial losers are older, but it is expected that older people living in the relevant areas throughout the year will benefit as local society will be more resilient and sustainable.</p> <p>However, there is strong evidence that care providers face serious recruitment difficulties. Achieving community balance is vital to getting enough younger people to protect and care for older people, and the policy of raising a Premium is intended to help young people stay in the local area by being able to provide them with homes locally. Overall, therefore, the policy will have a positive impact as it helps young families to have a home. This will then have a more positive than negative impact on community balance.</p>
Sexual orientation	None	No impact has been identified
Religion or belief (or non-belief)	None	No impact has been identified
Gender reassignment	None	No impact has been identified
Pregnancy and maternity	None	No impact has been identified
Marriage and civil partnership	None	No impact has been identified
The Welsh language	Positive	There will be an indirect impact on the language as the purpose of charging a premium is to encourage owners of long-term empty properties and second homes to return the property to the local housing stock, or to pay additional Council Tax. Premium yield to date has been used to meet local housing needs. Supporting the Welsh language is, therefore, a core part of this policy.

		In particular, there will be a positive impact on the balance of communities as premium products fund the Housing Action Plan which supports local families to buy an affordable home.
Socio-Economic Disadvantage	Positive	<p>When resolving in February 2021 to recommend to the full Council that the Premium level should be increased to 100%, members of the Cabinet noted that there was a housing crisis within the county. The principle that the Council was eager for residents to have homes in their own communities was emphasised, in order to ensure thriving communities. It was added that housing was a priority and that it was a requirement to ensure additional resources in order to implement the Housing Strategy.</p> <p>The powers to raise a premium was introduced through the Housing (Wales) Act and the statutory guidelines note:</p> <p><i>The discretion given to local authorities to charge a premium is intended to be a tool to help local authorities to:</i></p> <ul style="list-style-type: none"> • <i>bring long-term empty homes back into use to provide safe, secure and affordable homes; and</i> • <i>support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.</i>

3.2 The Council has a duty under the 2010 Equality Act to contribute positively to a fairer society by promoting equality and good relations in its activities regarding the following characteristics – age, gender, sexual orientation, religion, race, gender reassignment, disability and pregnancy and maternity. The Council must give due attention to the way any change affects these duties.

General Duties of the Equality Act	Does it have an impact?*	In what way? What is the evidence?
Abolishing illegal discrimination, harassment and victimisation	No	
Promoting equal opportunities	Yes	This will provide equal opportunity for local people who are currently unable to afford a home. The current housing situation is unequal and the decision is intended to stabilise and rectify this situation.
Encouraging good relationships	Yes	<p>The policy of charging a Premium can promote good relationships with people within the communities of Gwynedd if the Policy gives them the opportunity to have a better home, or a first home, as the number of holiday homes and empty dwellings is found to have a detrimental effect on the ability of local people to have a place to live. A policy of charging a Council Tax Premium on second homes and empty dwellings can improve relationships if Gwynedd residents feel that the policy helps them to have a better chance of having a home in their local area.</p> <p>Some second home owners have claimed in their consultation response that increasing the level of the Premium will cause community ill feeling, but there is no evidence to support this claim. The current disparity is more likely to create resentment.</p>

3.3 How does your proposal ensure that you work in accordance with the requirements of the Welsh Language Standards (Welsh Language (Wales) Measure 2011), to ensure that the Welsh language is not treated less favourably than English and that you seize every opportunity to promote the Welsh language (beyond providing services bilingually) and increase opportunities to use and learn the language in the community?

As noted in 3.1 above, there will be a positive impact on the balance of communities as the premium yield funds the Housing Action Plan which supports local families to buy an affordable home.

3.4 What other measures or changes could you include to strengthen or change the policy / practice in order to have a positive impact on people's opportunities to use the Welsh language, and to reduce or prevent any adverse effects that the policy / practice may have on the Welsh language?

This is a taxation policy, and we believe that the current policy goes to the best of our legal and statutory ability in that regard in terms of a positive impact on the language.

3.5 How does the proposal show that you have had due regard to the need to address inequality caused by socio-economic disadvantage? (Note that this is about closing inequality gaps rather than just improving outcomes for everyone)?

The Council has adopted a Housing Action Plan in December 2020 which includes a range of projects in place to make use of Premium products to tackle socio-economic disadvantage. The underlying principle is that those who can afford several properties help the most vulnerable in society who cannot get homes at all. The projects in the Housing Action Plan that make use of Premium funding are:

- Supported housing for the homeless schemes
- Supported housing for homeless young people
- Self-contained units for individuals with intensive social needs
- Support packages for private landlords
- Accommodation and extra support in Arfon
- Build more social housing than what can be funded through the social housing grant
- Develop our own housing in order to increase the opportunities for Gwynedd residents to compete in the housing market.
- Consult with communities to establish their housing needs
- Self-build plots

- First Time Buyers' Grants to renovate empty houses
- Council Tax Exemption on empty houses for first time buyers
- Homebuy scheme
- Finding and purchasing land for building in the future
- Residential element in community regeneration schemes
- Set up a new Energy Conservation service for home-owners in order to contribute towards our aspiration to address the climate crisis.
- Innovative Housing Pilot Scheme
- Funding the financial deficit in business cases for innovative housing
- Supported housing – youth
- Extra care housing for the elderly
- Supported Housing – adults with profound needs
- Suitable homes for children with severe physical needs
- Frondeg, Caernarfon
- Interest-free loans to improve housing conditions
- One-stop shop for Housing matters

3.6 What other measures or changes might you include to strengthen or change the policy / practice to show that you have had due regard to the need to reduce disproportionate outcomes as a result of socio-economic disadvantage, in accordance with the Socio-Economic Act?

We believe that the policy already shows a total commitment to giving due regard to the need to reduce unequal outcomes as a result of socio-economic disadvantage and that other measures or changes are not needed.

4) Analysing the Results

4.1 Is the policy therefore likely to have a significant, positive impact on any of the above and what is the reason for this?

One of the main outcomes of the Premium is the funding of the Housing Action Plan. This scheme will address social disparity within Gwynedd. The Equality Impact Assessment completed during the preparation of the Housing Action Plan sets out the very positive steps that will result from the implementation of the Scheme, with the financial support of the Premium:

<https://democracy.gwynedd.llyw.cymru/documents/s27958/Item%206%20-%20Appendix%20B%20-%20Equality%20Impact%20Reprt.pdf>

The Premium is intended to aim to reduce inequality within the communities of Gwynedd, and contributes to that by funding specific projects.

Details of an assessment of the Well-being of Future Generations Act can be found in the body of the Cabinet report.

4.2 Is the policy therefore likely to have a significant, negative impact on any of the above and what is the reason for this?

The premium will be subject to two specific cohorts of the population, namely second home owners, and owners of long-term empty homes.

It should be noted that consultation responses, together with national studies strongly suggest that second home owners tend to be older people. A number of the consultation responses suggest that some of these older owners are "asset rich / cash poor". That is, they have bought the property for several years or inherited it, but their income is not necessarily high. This ultimately raises a very small amount of doubt if the Council is fulfilling its statutory duties, but that must be weighed against the poverty, unemployment and homelessness in rural Gwynedd. According to the Housing Action Plan, 59% of Gwynedd residents have been priced out of the market in Gwynedd.

A number of the responses to the public consultation have stated that this Policy is racist as it targets individuals living outside Wales. However, the Premium is charged to all properties that are second or long-term empty properties without considering ownership. A significant proportion of second home owners identify themselves as English, and increasing the Premium would have a negative financial impact on this cohort.

Case law has established that indirect discrimination shall be taken to occur where an apparently neutral provision, criterion or practice would put persons of a racial or ethnic origin at a particular disadvantage compared with other persons, unless that provision, criterion or practice is objectively justified by a legitimate aim and the means of achieving that aim are appropriate and necessary.

In making a decision on the Premium, therefore, one must be aware of the possibility that indirect discrimination exists. Although it is property use that means if a Premium is payable on it or not, not its ownership, the outcome of the consultation suggests that owners of such properties tend to be English and older people and it is necessary to be aware of the risk of indirect discrimination against these cohorts. However, the Equality Act 2010 states that this is legal if the policy is a proportionate means of achieving a legitimate aim, and in this case it is a means of realising a positive action, namely tackling the housing crisis for local people.

4.3 What should be done?

Choose one of the following:

Continue with the policy / service as it is robust	
Adapt the policy to delete any barriers	
Suspend and delete the policy as the detrimental impacts are too big	
Continue with the policy as any detrimental impact can be justified	✓
No further action at this time because it is too soon to decide, or there is insufficient evidence	

4.4 If continuing with the project, what steps will you take to reduce or mitigate any negative impacts?

There is some evidence that increasing the premium on second homes would be discriminate against a protected group, with data suggesting that second home owners tend to be older people and identify themselves as English. The policy in relation to Council Tax Premium is intended to recognise that long-term empty properties and second homes increase some of Gwynedd's social problems, and the owners should make a financial contribution to alleviate some of the disadvantages they cause.

There is a claim that the policy of raising the Premium is racist because of where second home owners live, but a number of those who have answered the consultation note that Welsh people own a property in Gwynedd while their main home is outside Wales. The Premium will be charged based on the characteristics of the property, not the characteristics of the owner and there is a positive impact if local families can afford to buy a property in their local area rather than having to move away to get a home. There is recognition that there is a negative financial impact on people living outside Gwynedd, with a large number of them identifying themselves as English. In line with the requirements of the Equality Act 2010, increasing the level of the Premium is a proportionate means of achieving a legitimate aim, which is to fund a Housing Action Plan that addresses some of the damage that second homes and empty dwellings cause to the communities of Gwynedd.

Individuals who are for and against raising the Premium have expressed dissatisfaction with the same question on the impact of the Premium on the economy (claiming to be "leading"), which suggests that the balance of questions is correct.

4.5 If you are not taking any further action to delete or reduce the negative impacts, explain why here.

The level of premium is ultimately a political issue, taken on the basis of the evidence available. Elected members will reach a decision on the appropriate balance between the additional cost to owners of second homes and long-term empty properties and the associated incentive of bringing properties back into use, against the social well-being that would result from the ability to realise specific schemes to address social disparity.

5) Monitoring

5.1 What steps will you take to monitor the impact and effectiveness of the policy or service (action plan)?

The setting of the Premium level will require an annual decision by the full Council. The Finance Department will continue to keep track of changes to the status of long-term empty properties and second homes, and act as necessary to assess if there are equality issues behind transfer to non-domestic rating.

MEETING:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	17 NOVEMBER 2022
TITLE:	TREASURY MANAGEMENT 2022 –2023 MID YEAR REVIEW
PURPOSE:	CIPFA’s Code of Practice recommends that a report on the Council’s actual Treasury Management during the current financial year is produced.
RECOMMENDATION:	RECEIVE THE REPORT FOR INFORMATION
AUTHOR:	DELYTH JONES-THOMAS, INVESTMENT MANAGER

EXECUTIVE SUMMARY

During the six month period between 1 April and 30 September 2022, the Council’s borrowing and investments remained well within the limits originally set. There were no new defaults by banks in which the Council deposited money. Furthermore, it is estimated that the Council’s actual investment income will be significantly higher than the expected income in the 2022/23 budget.

1. INTRODUCTION

The Chartered Institute of Public Finance and Accountancy’s Treasury Management Code (CIPFA’s TM Code) requires that Authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end). This report provides a mid-year update.

The Council’s treasury management strategy for 2022/23 was approved by full Council on 3rd March 2022. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council’s treasury management strategy.

CIPFA published its revised Treasury Management Code of Practice and Prudential Code for Capital Finance in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non- treasury investments. The principles within the two codes took immediate effect although local authorities could defer introducing the revised reporting requirements within the revised Codes until the 2023/24 financial year if they wish which the Council has elected to do.

Treasury risk management at the Council is conducted within the framework of the TM Code. This Code now also includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.

2. EXTERNAL CONTEXT

Economic background: The ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. The UK political situation towards the end of the period following the 'fiscal event' increased uncertainty further.

The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy.

Central Bank rhetoric and action remained robust. The Bank of England, Federal Reserve and the European Central Bank all pushed up interest rates over the period and committed to fighting inflation, even when the consequences were in all likelihood recessions in those regions.

UK inflation remained extremely high. Annual headline CPI hit 10.1% in July, the highest rate for 40 years, before falling modestly to 9.9% in August. RPI registered 12.3% in both July and August. The energy regulator, Ofgem, increased the energy price cap by 54% in April, while a further increase in the cap from October, which would have seen households with average energy consumption pay over £3,500 per annum, was dampened by the UK government stepping in to provide around £150 billion of support to limit bills to £2,500 annually until 2024.

The labour market remained tight through the period but there was some evidence of easing demand and falling supply. The unemployment rate 3m/year for April fell to 3.8% and declined further to 3.6% in July. Although now back below pre-pandemic levels, the recent decline was driven by an increase in inactivity rather than demand for labour. Pay growth in July was 5.5% for total pay (including bonuses) and 5.2% for regular pay. Once adjusted for inflation, however, growth in total pay was -2.6% and -2.8% for regular pay.

With disposable income squeezed and higher energy bills still to come, consumer confidence fell to a record low of -44 in August, down -41 in the previous month. Quarterly GDP fell -0.1% in the April-June quarter driven by a decline in services output, but slightly better than the 0.3% fall expected by the Bank of England.

The Bank of England increased the official Bank Rate to 2.25% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises of 0.25% in each of the following two MPC meetings, before hiking by 0.50% in August and again in September. August's rise was voted by a majority of 8-1, with one MPC member preferring a more modest rise of 0.25%. The September vote was 5-4, with five votes for an 0.5% increase, three for an 0.75% increase and one for an 0.25% increase. The Committee noted that domestic inflationary pressures are expected to remain strong and so given ongoing strong rhetoric around tackling inflation further Bank Rate rises should be expected.

On 23rd September the UK government, following a change of leadership, announced a raft of measures in a 'mini budget', loosening fiscal policy with a view to boosting the UK's trend growth rate to 2.5%. With little detail on how government borrowing would be returned to a sustainable path, financial markets reacted negatively. Gilt yields rose dramatically by between 0.7% - 1% for all maturities with the rise most pronounced for shorter dated gilts. The swift rise in gilt yields left pension funds vulnerable, as it led to margin calls on their interest rate swaps and risked triggering large scale redemptions of assets across their portfolios to meet these demands. It became necessary for the Bank of England to intervene to preserve market stability through the purchase of long-dated gilts, albeit as a temporary measure, which has had the desired effect with 50-year gilt yields falling over 100bps in a single day.

Bank of England policymakers noted that any resulting inflationary impact of increased demand would be met with monetary tightening, raising the prospect of much higher Bank Rate and consequential negative impacts on the housing market.

After hitting 9.1% in June, annual US inflation eased in July and August to 8.5% and 8.3% respectively. The Federal Reserve continued its fight against inflation over the period with a 0.5% hike in May followed by three increases of 0.75% in June, July and September, taking policy rates to a range of 3% - 3.25%.

Eurozone CPI inflation reached 9.1% y/y in August, with energy prices the main contributor but also strong upward pressure from food prices. Inflation has increased steadily since April from 7.4%. In July the European Central Bank increased interest rates for the first time since 2011, pushing its deposit rate from -0.5% to 0% and its main refinancing rate from 0.0% to 0.5%. This was followed in September by further hikes of 0.75% to both policy rates, taking the deposit rate to 0.75% and refinancing rate to 1.25%.

Financial markets: Uncertainty remained in control of financial market sentiment and bond yields remained volatile, continuing their general upward trend as concern over higher inflation and higher interest rates continued to dominate. Towards the end of September, volatility in financial markets was significantly exacerbated by the UK government's fiscal plans, leading to an acceleration in the rate of the rise in gilt yields and decline in the value of sterling.

Due to pressure on pension funds, the Bank of England announced a direct intervention in the gilt market to increase liquidity and reduce yields.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to 4.40%, the 10-year gilt yield rose from 1.61% to 4.15%, the 20-year yield from 1.82% to 4.13% and the 50-year yield from 1.56% to 3.25%. The Sterling Overnight Rate (SONIA) averaged 1.22% over the period.

Credit review: In July Fitch revised the outlook on Standard Chartered from negative to stable as it expected profitability to improve thanks to the higher interest rate environment. Fitch also revised the outlook for Bank of Nova Scotia from negative to stable due to its robust business profile.

Also in July, Moody's revised the outlook on Bayerische Landesbank to positive and then in September S&P revised the GLA outlook to stable from negative as it expects the authority to remain resilient despite pressures from a weaker macroeconomic outlook coupled with higher inflation and interest rates.

Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May Arlingclose extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days. These recommendations were unchanged at the end of the period.

Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remain under constant review.

3. LOCAL CONTEXT

On 31st March 2022, the Council had net investments of £7m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

These factors are summarised in the table below.

Balance Sheet Summary –

	31.3.22 Actual £m
CFR	169
Less: Other debt liabilities	(1)
Borrowing CFR	168
Less: Usable reserves	(143)
Less: Working capital	(18)
Net borrowing	7

* finance leases, PFI liabilities

The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 30th September 2022 and the change during the period is shown in the table below.

Treasury Management Summary

	31.3.22 Balance £m	6 month Movement £m	30.9.22 Balance £m
Long-term borrowing	(101.8)	0.0	(101.8)
Short-term borrowing	(1.6)	0.0	(1.6)
PFI	(1.4)	0.0	(1.4)
Total borrowing	(104.8)	0.0	(104.8)
Short-term investments	79.8	(23.6)	56.2
Cash and cash equivalents	18.1	36.2	54.3
Total investments	97.9	12.6	110.5
Net borrowing	(6.9)	12.6	5.7

4. BORROWING UPDATE

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council.

PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield and the Council intends to avoid this activity in order to retain its access to PWLB loans.

5. BORROWING STRATEGY

At 30th September 2022 the Council held £101.8m of loans as part of its strategy for funding previous years' capital programmes, and £1.6m for specific projects. Outstanding loans on 30th September are summarised in the table below.

Borrowing Position

	31.3.22	6 month	30.9.22	30.9.22
	Balance	Movement	Balance	Rate
	£m	£m	£m	%
Public Works Loan Board	85.6	0.0	86.9	5.71
Bank (long term)	16.2	0.0	16.2	4.22
Specific Projects	1.6	0.0	1.6	n/a
Total borrowing	103.4	0.0	103.4	

The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term debt stability of the debt portfolio.

Over the April-September period short term PWLB rates rose dramatically, particular in late September after the Chancellor's 'mini-budget', included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies. Exceptional volatility threatened financial stability, requiring Bank of England intervention in the gilt market. Over a twenty-four-hour period some PWLB rates increased to 6%, before the intervention had the desired effect, bringing rates back down by over 1% for certain maturities. A truly wild and unprecedented period in fixed income markets, with a direct impact on PWLB rates.

Interest rates rose by over 2% during the period in both the long and short term. As an indication, the 5-year maturity certainty rate rose from 2.30% on 1st April to 5.09% on 30th September; over the same period the 30-year maturity certainty rate rose from 2.63% to 4.68%.

The Council considers it to be more cost effective in the near term to use internal resources and borrow short term loans when required. This strategy enables the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

6. TREASURY INVESTMENT ACTIVITY

CIPFA revised TM Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the 6 months, the Council's investment balance ranged between £82.3 and £170.8 million due to timing differences between income and expenditure. The investment position during the period is shown in the table below.

Treasury Investment Position

	31.3.22	6 month	30.9.22	30.9.22
	Balance	Movement	Balance	Income
	£m	£m	£m	Returns
				%
Banks & building societies (unsecured)	23.1	10.2	33.3	1.64
Local authorities	30.0	(15.0)	15.0	1.97
Money Market Funds	17.0	36.0	53.0	2.07
Pooled Funds	9.8	(0.6)	9.2	4.76
Debt Management Office	18.0	(18.0)	0.0	n/a
Total investments	97.9	12.6	110.5	

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

The increases in Bank Rate over the period under review, and with the prospect of more increases to come, short-dated cash rates, which had ranged between 0.7% - 1.5% at the end of March, rose by around 1.5% for overnight/7-day maturities and by nearly 3.5% for 9-12 month maturities.

By the end of September, the rates on DMADF deposits ranged between 1.85% and 3.5%. The return on the Council's sterling low volatility net asset value Money Market Funds ranged between 0.54% - 0.58% p.a. in early April and between 1.96% and 2.17% at the end of September.

£10m of the Council's investments are held in externally managed strategic pooled property, multi-asset and equity funds where short-term security and liquidity are lesser consideration, and the objectives instead are regular revenue income and long-term price stability. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued stability in meeting the Council's investment objective are regularly reviewed.

The performance of our pooled property, multi-asset and equity funds at 30 September 2022 can be seen below:

STRATEGIC POOLED FUND PORTFOLIO				GWYNEDD				From:	30/09/2021	To:	30/09/2022
FUND NAME	ASSET CLASS	No of Units Held in Period	Current Value £	Capital Growth £	Dividends Earned £	Holding Period (yrs)	Capital Return	Income Return	Total Return	Volatility	
AEGON (KAMES) DIVERSIFIED MONTHLY INCOME FUND	MULTI ASSET	1,158,480	1,052,132	-202,815	69,928	1.0	-16.16%	5.57%	-10.59%	10.5%	
CCLA - LAMIT PROPERTY FUND	PROPERTY	1,524,344	5,219,354	505,472	180,086	1.0	10.72%	3.82%	14.54%	5.9%	
NINETY ONE (INVESTEC) DIVERSIFIED INCOME FUND	MULTI ASSET	1,228,153	1,080,434	-126,693	43,345	1.0	-10.50%	3.59%	-6.90%	4.4%	
SCHRODER INCOME MAXIMISER FUND	EQUITY - UK	5,173,994	1,824,350	-243,178	163,069	1.0	-11.76%	7.89%	-3.87%	14.9%	
GRAND TOTAL			9,176,269	-67,214	456,428	1.0	-0.73%	4.94%	4.21%	6.3%	
			Unrealised capital loss since purchase:	-823,731	Annualised income return:	4.94%					

It is evident that the combined capital value of £9.176m is less than the initial investment of £10m. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters, and even years; but with the confidence that over a three to five year period total returns will exceed cash interest rates. Investment in these funds will be maintained in the medium term.

Investment Benchmarking

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in the table below.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30.06.2022	4.55	A+	60%	29	1.42
30.09.2022	4.92	A+	80%	36	2.32
Similar LAs	3.93	AA-	39%	74	2.06
All LAs	4.29	AA-	55%	18	2.06

Treasury Management Performance

The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates.

The Council's budgeted investment income for the year is £0.4m, however the actual expected investment income for the year 2022/23 is significantly higher, estimated at £1.8m due to the increase in the base rate and forecasted future increases.

7. COMPLIANCE

The Head of Finance can confirm that the treasury management activities undertaken during the period complied fully with CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

The Council's borrowing and investments remained well within the limits originally set.

Debt Limits

	Maximum during period	30.9.22 Actual	2022/23 Operational Boundary	2022/23 Authorised Limit	Complied
Borrowing	£103.4m	£103.4m	£184m	£194m	✓
PFI & finance leases	£1.4m	£1.4m	£6m	£6m	✓
Total debt	£104.8m	£104.8m	£190m	£200m	✓

Investment Limits

	Counterparty Maximum during period	Counterparty 30.9.22 Actual	Counterparty 2022/23 Limit	Complied
The UK Government	£61m	£0m	Unlimited	✓
Local authorities & other government entities	£5m	£5m	£10m	✓
Secured investments	£0m	£0m	£10m	✓
Banks (unsecured)	£5m	£5m	£5m	✓
Building societies (unsecured)	£5m	£5m	£5m	✓
Registered providers (unsecured)	£0m	£0m	£5m	✓
Money market funds	£10m	£10m	£10m	✓
Strategic pooled funds	£5m	£5m	£10m	✓
Real Estate Investment Trusts	£0m	£0m	£10m	✓
Other investments	£0m	£0m	£5m	✓

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating or credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Actual	Target	Complied
Portfolio average credit score	4.9	6.0	✓

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments.

	30.9.22 Actual	2022/23 Target	Complied
Total cash available within 3 months	£81.3m	£10m	✓

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one year revenue impact of a 1% rise or fall in interest were:

Interest rate risk indicator	30.9.22 Actual	2022/23 Limit	Complied
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£878,000	£643,000	x
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£878,000	£643,000	x

This indicator has not been complied with as the interest rate environment was significantly different to when setting the strategy was set. The Council has no variable rate borrowing therefore there is no negative impact, but the Council's revenue budget is expected to benefit from higher interest earnings in the short term.

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	Actual	Upper	Lower	Complied?
Under 12 months	1.29%	25%	0%	✓
12 months and within 24 months	2.14%	25%	0%	✓
24 months and within 5 years	14.21%	50%	0%	✓
5 years and within 10 years	5.61%	75%	0%	✓
10 years and above	76.76%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end were:

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	£0m	£0m	£0m
Limit on principal invested beyond year end	£20m	£20m	£20m
Complied	✓	✓	✓

8. INVESTMENT TRAINING

During the period, officers have attended investment training with Arlingclose and CIPFA relevant to their roles.

9. OUTLOOK FOR THE REMAINDER OF 2022/23

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	2.25	4.25	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.75	4.25	3.75	3.25
Downside risk	0.00	-1.00	-1.00	-0.75	-0.50	-0.50	-0.50	-0.75	-1.25	-1.50	-1.75	-1.75	-1.75

Arlingclose expects Bank Rate to rise further during 2022/23 to reach 5% by the end of the year.

The MPC is particularly concerned about the demand implications of fiscal loosening, the tight labour market, sterling weakness and the willingness of firms to raise prices and wages.

The MPC may therefore raise Bank Rate more quickly and to a higher level to dampen aggregate demand and reduce the risk of sustained higher inflation. Arlingclose now expects Bank Rate to peak at 5.0%, with 200bps of increases this calendar year.

This action by the MPC will slow the economy, necessitating cuts in Bank Rate later in 2024.

Gilt yields will face further upward pressure in the short term due to lower confidence in UK fiscal policy, higher inflation expectations and asset sales by the BoE. Given the recent sharp rises in gilt yields, the risks are now broadly balanced to either side. Over the longer term, gilt yields are forecast to fall slightly over the forecast period.

Background:

Monetary policymakers are behind the curve having only raising rates by 50bps in September. This was before the “Mini-Budget”, poorly received by the markets, triggered a rout in gilts with a huge spike in yields and a further fall in sterling. In a shift from recent trends, the focus now is perceived to be on supporting sterling whilst also focusing on subduing high inflation.

There is now an increased possibility of a special Bank of England MPC meeting to raise rates to support the currency. Followed by a more forceful stance over concerns on the looser fiscal outlook. The MPC is therefore likely to raise Bank Rate higher than would otherwise have been necessary given already declining demand. A prolonged economic downturn could ensue.

Uncertainty on the path of interest rates has increased dramatically due to the possible risk from unknowns which could include for instance another Conservative leadership contest, a general election, or further tax changes including implementing windfall taxes.

The government's blank cheque approach to energy price caps, combined with international energy markets priced in dollars, presents a fiscal mismatch that has contributed to significant decline in sterling and sharp rises in gilt yields which will feed through to consumers' loans and mortgages and business funding costs.

UK government policy has mitigated some of the expected rise in energy inflation for households and businesses flattening the peak for CPI, whilst extending the duration of elevated CPI. Continued currency weakness could add inflationary pressure.

The UK economy already appears to be in recession, with business activity and household spending falling. The short- to medium-term outlook for the UK economy is relatively bleak.

Global bond yields have jumped as investors focus on higher and stickier US policy rates. The rise in UK government bond yields has been sharper, due to both an apparent decline in

investor confidence and a rise in interest rate expectations, following the UK government's shift to borrow to loosen fiscal policy. Gilt yields will remain higher unless the government's plans are perceived to be fiscally responsible.

The housing market impact of increases in the Base Rate could act as a "circuit breaker" which stops rates rising much beyond 5.0%, but this remains an uncertainty.

Agenda Item 8

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	17 NOVEMBER 2022
TITLE:	ANNUAL COMPLAINTS AND SERVICE IMPROVEMENT REPORT 2021/22
PURPOSE:	PROVIDE AN OVERVIEW OF THE COUNCIL'S ARRANGEMENTS AND PERFORMANCE IN RELATION TO DEALING WITH COMPLAINTS AND IMPROVING SERVICES DURING 2021/22
AUTHOR:	IAN JONES, HEAD OF CORPORATE SUPPORT
CABINET MEMBER:	COUNCILLOR MENNA JONES

The Portfolio Leader, Councillor Menna Jones submitted the report to the Cabinet on 25 October, and we believe that the contents of the Report is also appropriate to submit to the Governance and Audit Committee.

No comments or suggestions were received on the report by the Cabinet Members apart from a note of thanks and an acknowledgement of the progress.

1. PURPOSE

The purpose of the report is to provide an overview of the Council's arrangements and performance in relation to dealing with complaints and improving services during 2021/22, highlighting successes, challenges and developments.

An analysis of quantitative and qualitative data is submitted, which is a measure of the Council's performance in this context.

The Committee is asked to accept the report and to offer any relevant observations or suggestions.

2. ROLE OF THE COMMITTEE

The Committee is required to ensure that there are effective arrangements for dealing with complaints within the Council.

The Committee is invited to consider the information submitted, and offer any relevant observations or suggestions.

3. INTRODUCTION

3.1 Background

The Council's "Complaints and Service Improvement procedure" was introduced in 2015, drawn up under the supervision of the Public Services Ombudsman for Wales. It corresponds with Welsh Government guidelines and is therefore in line with the complaints procedures of other public bodies.

The Cabinet adopted the procedure with the aim of bringing specific benefits to the citizen by focusing on the solution instead of the process, and allow Officers to deal quicker with complaints.

The ownership over responding to complaints was moved to the individual Departments, but with the function of harmonizing and offering guidance continuing under the leadership of the Monitoring Officer with the support of the Service Improvement Officer.

The *Concerns and Complaints Policy* was updated on 1 April 2021, and responsibility for the implementation of the *Complaints and Service Improvement* procedure was transferred to the Corporate Support Department under the care of the *Service Improvement Officer* within the *Organisational Learning and Development* team.

It should be noted that this procedure is not relevant to Social Services users as there is a statutory procedure for them. Schools also implement their own complaints procedures.

3.2 Responding to Complaints - An explanation of the terminology that is used

3.2.1 Resolving Informal Complaints

Complainant informally contacts the Service Improvement Officer or the relevant service to resolve the concern.

3.2.2 Investigating Formal Complaints

The complaint is investigated within the relevant Department, by an officer who is senior enough and is independent from the source of the complaint.

3.2.3 Complaint to the Ombudsman

The complainant could go to the Ombudsman if they are not satisfied with the Council's formal response.

After looking at the complaint, the Ombudsman may decide on one of the following:

- *No Investigation* – where the Ombudsman is satisfied with the way the authority has dealt with the matter, and feels that there is no need for a further investigation. It could also be a matter beyond its jurisdiction.
- *Premature* - if the Ombudsman is of the opinion that the authority has not yet had an opportunity to consider the matter.
- *Hold a further investigation* - where the Ombudsman feels that further investigation is needed, to assess how the authority has dealt with the matter.
- *Settlement* – where there is an agreement with the complainant and they accept the resolution.

4. FREQUENCY OF THE REPORT

Due to the unique circumstances of the past few years, the period of reporting to the Cabinet has varied from between 6 and 12 months. The Concerns and Complaints Policy notes that a report should be submitted to the Senior Leadership Team every quarter and to the Cabinet twice a year and this is the intention for the future.

'Live' data is available to Heads of Department, the Senior Leadership Team, the Cabinet and the Committee at any time upon request.

This Report summarises the developments for the period 01.04.2021 - 31.03.2022, focusing on Valid Formal Complaints and complaints submitted to the Ombudsman.

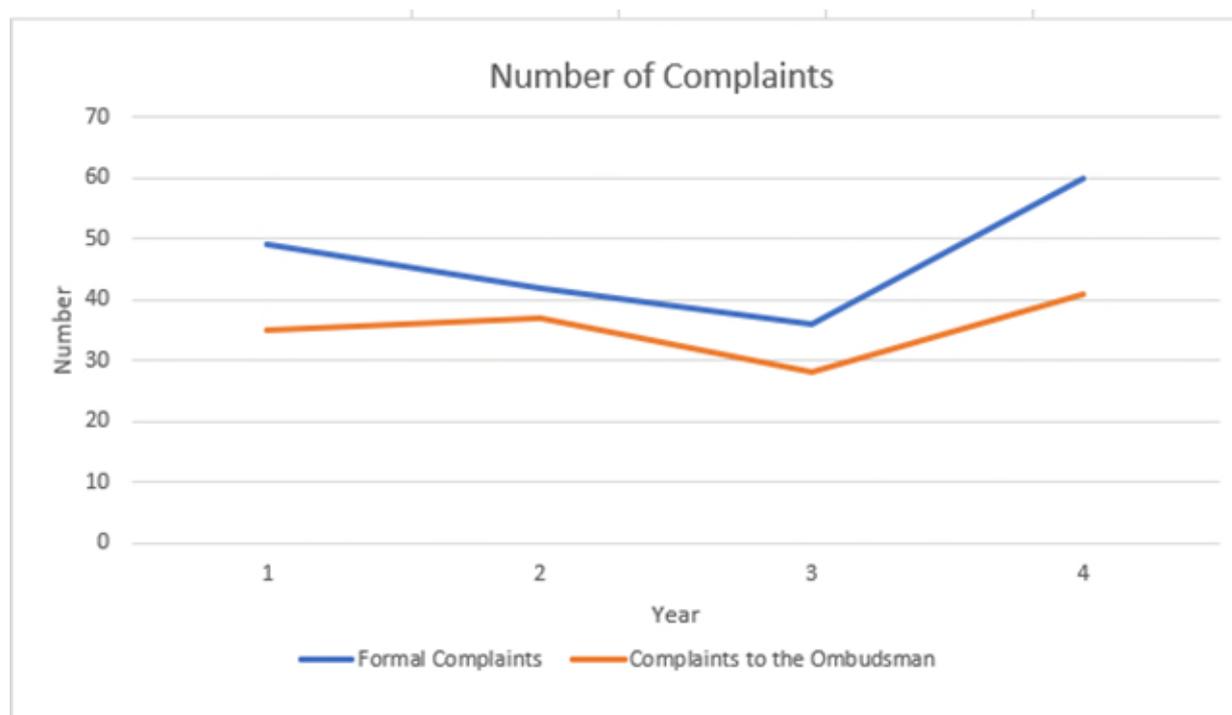
5. QUANTITATIVE DATA

5.1 Number of Complaints: Current Situation

Type of Complaints	Number 2020/21 (01/04/2020 - 31/03/2021)	Number 2021/22 (01/04/2021 - 31/03/2022)
Formal Complaints (Valid)	36	60
Complaints to the Ombudsman	28: 15 No Investigation 5 Premature 0 No response 6 Settlement 0 Enquiry 1 Investigation closed 1 Report 0 Complaint withdrawn	41: 33 No Investigation 2 Premature 0 No response 5 Settlement 0 Enquiry 0 Investigation closed 0 Report 1 Complaint withdrawn

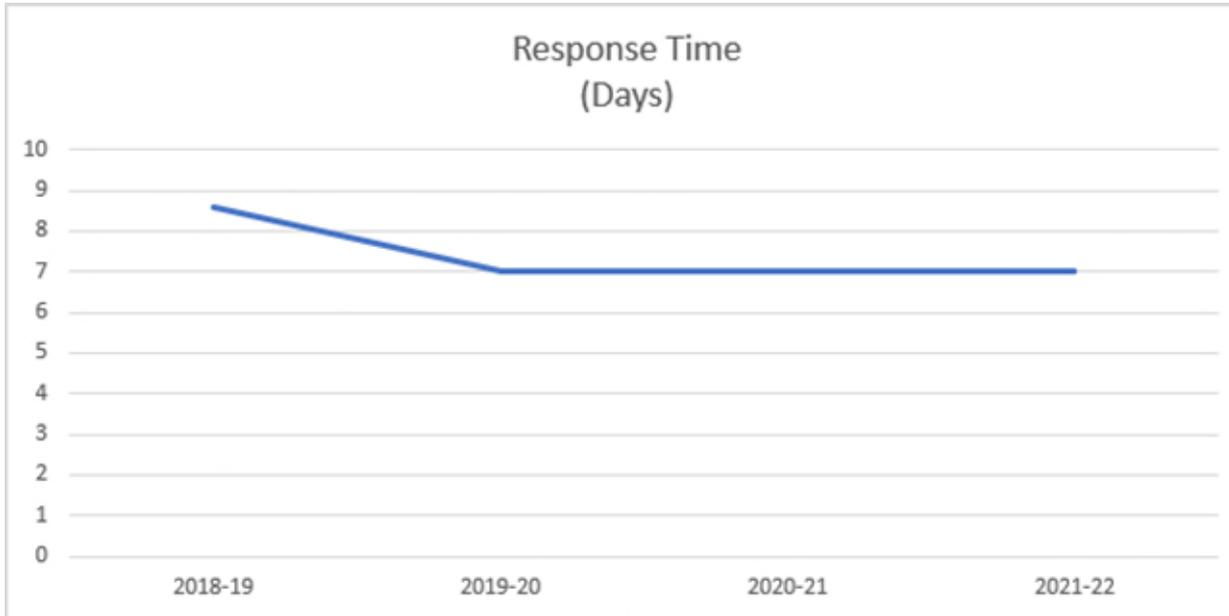
5.2 Number of complaints: Situation over a Period Since 2018-19

Type of Complaints	Number 2018-19	Number 2019-20	Number 2020-21	Number 2021-22
Valid Formal Complaints	49	42	36	60
Complaints to the Ombudsman	35	37	28	41



5.3 Response Time over a Period Since 2018-19

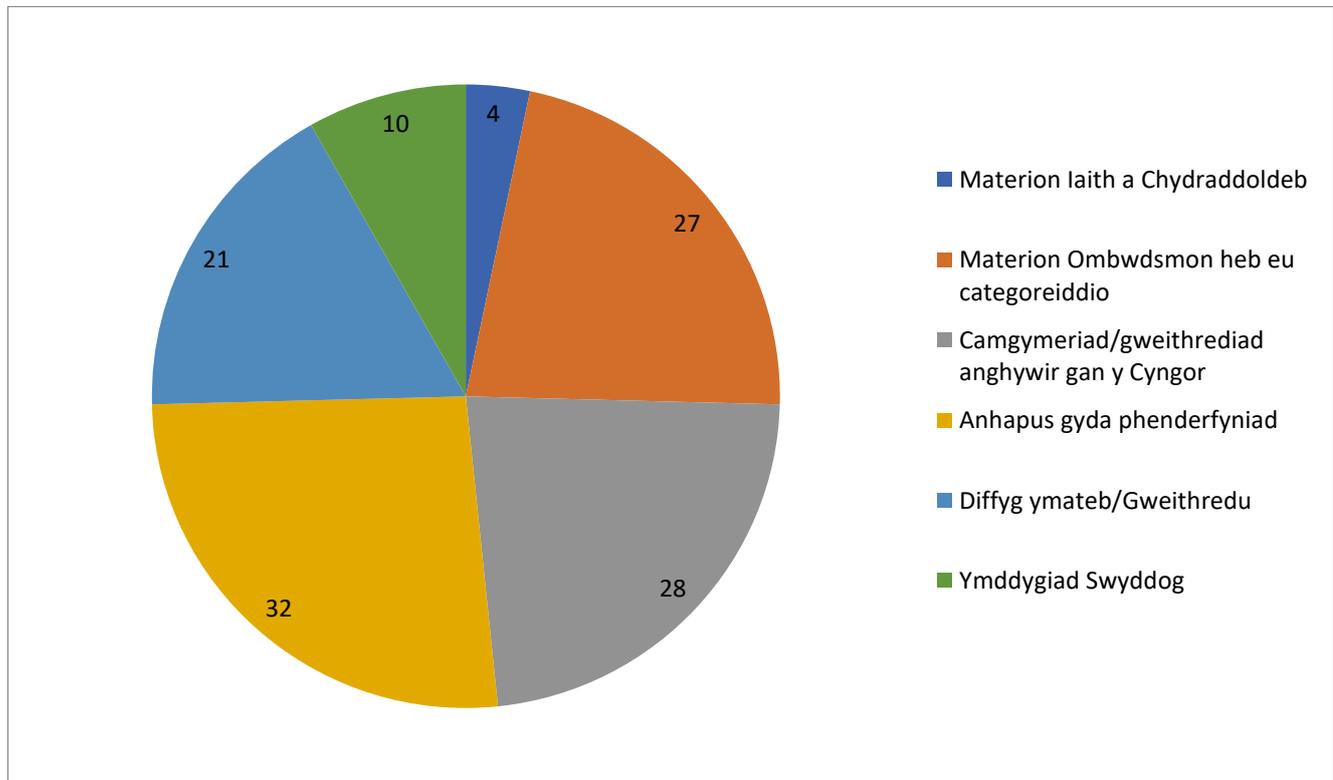
2018-19	2019-20	2020-21	2021-22
<i>8.6 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>



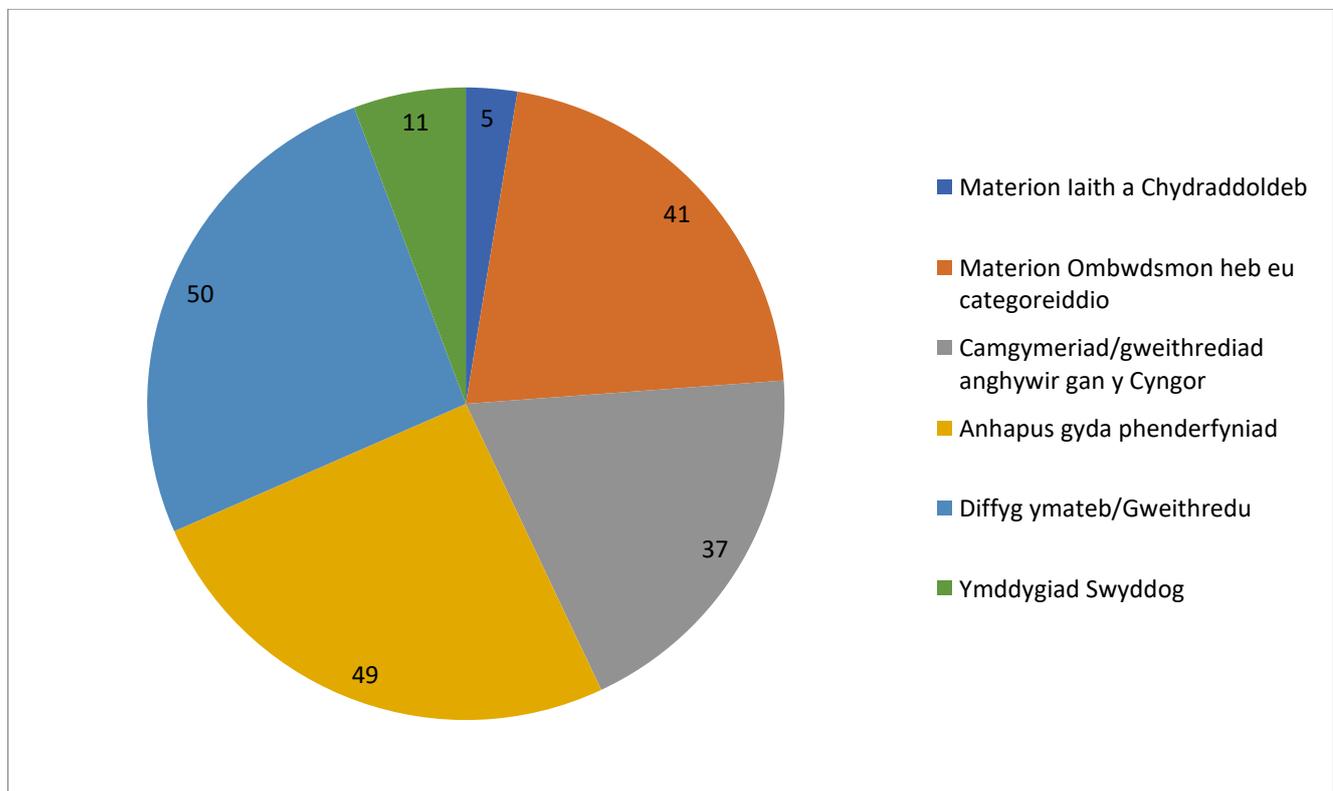
6. ANALYSIS OF THE COMPLAINTS (General)

(Categories - Language and Equality; Uncategorised Complaints to the Ombudsman; Mistakes/Incorrect action by the Council; Unhappy with a Decision; Lack of response/Action; Staff conduct)

Per Category 2020/21 Year Quarter 1 – 4



Per Category 2021/22 Year Quarter 1 – 4



Analysis per Department – See Appendix 1

Detailed information can be provided about specific Complaints if needed.

7. MAIN MESSAGES

- Initially, a reduction was seen, followed by a substantial increase in Formal Complaints during the pandemic period; however, the number of Ombudsman Complaints have remained consistent.

COMMENT: *The majority of Authorities are seeing a similar pattern (confirmed by the Ombudsman).*

- The pattern / trend over a longer period shows that the number of Formal Complaints has reduced gradually since 2018-19, but has increased recently.
- The response time has remained consistent on 7 days (8.6 days in 2018-19).
- A change in culture was seen, with Services on the whole receiving complaints in a more positive and constructive way in order to learn from them, with the response time reducing.

8. THE OMBUDSMAN'S ANNUAL LETTER AND NATIONAL DATA

The Ombudsman's Annual Letter (2021/22) to Gwynedd Council has just been received (**Appendix 2**).

The letter is intended to assist members to scrutinise the Council's complaints performance and identify any steps to be taken as a result.

As requested in the letter, we will:

- Engage with the Ombudsman's Complaints Standards work
- Give training to staff
- Provide data on complaints
- Inform the Ombudsman about the outcome of considerations and proposed Council actions in relation to the above matters by 30 September

As it was not possible to report to the Cabinet before this, a message has already been sent to the Ombudsman to explain the situation. To please note the reporting dates and our actions, in order to ensure that we comply with the requirements of the Annual Letter.

National data was published by the Ombudsman's Office as appendices to the Annual Letter, which summarises the Complaints figures reported by Welsh Authorities.

We contacted the Ombudsman Officer to ask for an interpretation of the figures. They welcomed our enquiry and noted that they wished for every Authority to consider the data as carefully as we do.

The following was noted (verbally):

- The table should not be considered as a 'league table'
- The low numbers do not mean that Councils are better than those with higher numbers, and it was possible that Councils did not record their complaints in the same way
- Gwynedd's figures appear to be realistic
- The complaints procedure in Gwynedd is obviously working, and we are ready to learn lessons from Complaints

9. **LOOKING TO THE FUTURE/NEXT STEPS**

For information, the situation to date this year is -

- 20 Valid Formal Complaints between 01/04/22 and 31/08/22
- 15 Ombudsman Complaints between 01/04/22 and 31/08/22
(11 No Investigation; 2 No Investigation – Premature; 1 Settlement; 1 Investigation)

Due to the way that the Ombudsman's Office records its data, the fact that the Recycling and Waste Service is transferring to the Environment Service will make it easier to reconcile figures with the Ombudsman's Annual Letter from now on. Previously, considerable analysis work had to be done as we were unfortunately unable to record them in the same manner.

We have collaborated closely with the Ombudsman Office's Training Officer on the development of 'Customer Care' training, by using complaints as a learning tool. We received very positive feedback from the attendees of the pilot course and a further session that was held, and a programme of dates are in place for the year to come.

We intend to continue to work with Departmental management teams and officers within the Service to ensure an understanding of the Complaints procedure and their commitment to implement them. In light of this, we hope to reduce the time we take to respond to Complaints, and continue to improve services.

Work is currently underway to create new "Responding to Correspondence" Training, as a recent investigation into this has highlighted that not everyone appreciates the importance of a timely response.

The Successes Wall is still growing, and it is very good to see that a large number of Thanks/Compliments have come in from the public. Seeing the public's appreciation is a great help in raising staff morale, especially front-line staff.

APPENDIX 1

	DEPARTMENT	SERVICE	PERIOD	CATEGORY OF COMPLAINT	NATURE OF THE COMPLAINT / OBSTACLE	LESSONS LEARNT	RESPONSE TO THE COMPLAINANT	SERVICE IMPROVEMENT STEPS	OBSERVATIONS Please note that the Complaints have been noted under a "Category", not necessarily because their nature are all exactly the same
1	Housing and Property	Housing	01/04/2021 – 31/03/2022	Lack of response/action	Customer felt she was let down as she had not received any response to her request for a house from the Housing Options team. No way of speaking to the relevant officer - left messages but the officer did not call back.	Need to maintain regular contact with clients to ensure they are aware of any developments or changes in circumstances.	Apologised to the customer for the lack of timely response and explained the situation. Assured the customer that the officer in question was in the best position to deal with her application as he/she was aware of her background and situation. Offer a meeting with the customer and other officers to try to progress the matter. Updated the customer that her application was on the system and which Band she was in.	Staff to create reminders on 'Outlook' calendars - to remind them to contact clients at least once every three weeks. Staff allocate time every day to respond to phone calls and enquiries. Carry out a full 'Service Review', and study the steps in providing a service - after an application from a homeless client.	10 complaints under this category
2	Housing and Property	Housing	01/04/2021- 31/03/2022	Behaviour of an Officer	Customer unhappy with how she was treated on the phone after contacting the Service.	Need to ensure that staff provide the best Customer Care that they can at all times. We must be sensitive to the customer's feelings and show empathy when possible, although, at times, we understand that customers can be beyond challenging.	The Service's Senior Manager has sent to the customer, apologising for the delayed response and explaining that the Manager is currently off sick and that he will get back to her as soon as he will be back in work. After returning to work, the Manager responded to the customer, again, he apologised for the poor customer care service received. Also offered for her to appeal against the decision if she so wished. Note that he had committed for all staff in turn to attend the Customer Care training available from the Organisational Learning and Development Service.	The Service Manager enquired about Customer Care Training for his staff and arranged for them to commit to attending this Training in turn.	1 complaint under this category
3	Housing and Property	Housing	01/04/2021 – 31/03/2022	Mistake/incorrect action by the Council	Customer complaining about the correct operation from the Homelessness and Housing Options Services in relation to her application for a property. Therefore, she feels that she has lost out on being on a list for	Continue to review the implementation of the relevant National Policies in the field on a regular basis. Ensure that the grant payments are still	Senior Manager contacted the customer to give her assurance that the matter is being addressed by the Service. The Policies and/or relevant links to the National Policies was sent to the customer. The Officer responded to the customer explaining that a grant	Need to ensure that customer grant payments are still being paid without delay when an emergency situation arises.	1 complaint under this category

APPENDIX 1

					more than one house. Customer drew in an officer from Shelter and her Member of Parliament into the matter as well. Also, enquired about a grant payment she was promised.	being arranged urgently for customers if they genuinely need them.	payment was on the way to her. The customer was dissatisfied with the response she received therefore she took her complaint forward to the Ombudsman. The matter is currently being addressed by the Ombudsman.		
4	Finance	Revenue and Income	01/04/2021 – 31/03/2022	Lack of response/action	Customer complained about no response to their correspondence from the Service for over three months.	Everyone to seek to ensure that correspondence is acknowledged and responded to within a realistic timetable, seeking to comply with the Council's Responding to Correspondence Policy	The Assistant Head of the Service investigated and offered a full apology to the customer for the lack of response. Also explained the situation on Council Tax to him in full and clearly.	Everyone to try to respond at the first opportunity to correspondence from customers. If it is not possible to respond in full soon for whatever reason, then another acknowledgement should be sent to the one that is sent immediately from the system, explaining that the matter is being addressed.	3 complaints under this category
5	Finance	Income and Revenue	01/04/2021 – 31/03/2022	Mistake/incorrect action by the Council	Customer complained that she received a summons due to a mistake on the Service's behalf	There is a need to remind staff to be careful and take a step back sometimes when they act and place themselves in the customer's shoes.	The Assistant Head of the Service and the relevant Manager within the Service investigated the matter and realised there was an error in the account. Have explained this to the customer and have sincerely apologised for the mistake and the hurt caused.	Remind staff of the implications of such mistakes. Ask them all to be very careful when making any changes to avoid such complaints in future.	5 complaints under this category
Page 128	Economy and Community	Maritime	01/04/2021 - 31/03/2022	Language and Equality matters	A complaint was received by a customer who used a "mobility" scooter to get around. His complaint was that he was unable to access beaches. Where he was able to have access, he was not able to take dogs there.		The Manager responded to the customer explaining the Beach Access Policy. Explaining that it was possible to access all beaches but 2 at the moment. Note also that the Policy was about to be reviewed therefore the situation might change.	An Equality Assessment is usually carried out when making Policies.	1 complaint under this category
7	Economy and Community	Maritime	01/04/2021 – 31/03/2022	Unhappy with a decision	Customer complained immediately to the Head of Service as he had received an invoice to pay launching fees. He did not believe that he was required to pay the fees in question and indeed he believed that GDPR rules had been breached, as he alleged that a member of staff had shared his details with another Service. Also, he complained about the lack of response received to his previous correspondence to the Service.	Although no GDPR rules had been breached, it was good to remind everyone of the rules in question. Also, it was important to remind the staff of the necessity to keep to the requirements of Responding to Correspondence, which is to acknowledge within 7 days and respond within 15 working days where possible. If unable to keep to the timetable, then a further note to be sent out after the	Service Manager has investigated the various complaints in full. There were no grounds to the GDPR complaint, since the details are clear on the company's website, therefore, no rules had been breached in this case. The Manager apologised for the lack of response to the previous correspondence, admitting that the Service had failed on this occasion. Also, a full explanation had been offered to the customer regarding the reasoning behind having to pay launch fees.	Reminded staff of the necessity to comply with the Responding to Correspondence Policy. Also, staff reminded of GDPR rules.	1 complaint under this category

APPENDIX 1

						acknowledgement note to the customer, to give an update on the situation.			
8	Education	Learning Disabilities	01/04/2021 – 31/03/2022	Officer Conduct	A complaint from a customer that an officer called at her home without notice and no appointment. Noted that she had not received any correspondence on the matter.	Arrange to e-mail customer if appropriate from now on to avoid such problems again of no letters reaching them.	An officer from the Service contacted the customer to apologise for any hurt caused by the matter for her and her family. Explained that a letter was sent out and apologised that she did not receive the letter for some reason.	Arranged to contact the customer via e-mail from now on to avoid any further difficulties with the post. The officer also offered to arrange meetings on Teams at a time that would be convenient for both parties.	1 complaint under this category
9	Education	Learning Disabilities and Schools	01/04/2021- 31/03/2022	Lack of response/action	A customer complaint that they did not feel that a School Headteacher and Governing Body were doing enough to assist her with a problem she was having of children bothering her during school time and outside school hours. Therefore, she contacted the Council through the Complaints procedure to escalate her complaint as the School procedure had failed.	The need for officers in the Service to accept and understand there was a Corporate Complaints procedure in place and they needed to comply with that procedure when a complaint arrives and where the School procedure has failed to address it.	Officer from the Service went back to the customer explaining that there was a new Policy in place at the School and suggested that she should follow the procedure again and resubmit her complaint. The new Headteacher at the School is seeking to move the matter forward. The Head of Service has also taken an interest in the matter and has contacted the customer to apologise for the previous misunderstanding relating to her complaint.	Need to ensure that the Officers understand the Corporate Concerns and Complaints procedure and realise that the procedure is there for a reason to assist both sides to reach a solution and to identify opportunities to Improve Service.	3 complaints under this category
Page 129	Education	Schools	01/04/2021 – 31/03/2022	Unhappy with a decision	Parent unhappy with the fact that her son does not receive interim alternative education as he is unable to attend school. Felt they were being let down by the Service.	Need to realise the needs of every child, something that suits most might not suit everyone.	The Service explained to the customer that they will arrange for all officers involved with the case to convene after the holiday period to what support would be best for the family	Ensure that the Service realises the importance of supporting families. Try to arrange better communications with families if they are uncertain of their requirements.	2 complaints under this category
11	Environment	Planning	01/04/2021 – 31/03/2022	Lack of response/action	Customer complaining about the lack of response from the Enforcement Service	Need to ensure that files are opened for every case on time	The Assistant Head has arranged an investigation and has sincerely apologised to the customer for the lack of response. Explained that it was an in-house error but that the matter has now been corrected. Also explained that the Service was unfortunately under immense work pressure.	Have arranged for an external expert provider to follow up on the matter in order to address the matter soon and offer a solution to the customer.	8 complaints under this category
12	Environment	Footpaths	01/04/2021 – 31/03/2022	Mistake/incorrect action by the Council	A complaint from a customer that they were not told about a footpath development crossing their land. Council officers had not consulted them on the matter	Realise the importance of engaging with everyone when such a case affects them	Service Manager has contacted the customer and apologised sincerely for the lack of engagement in this case. Noted that he would ensure that the relevant officer would contact the customer at the first available opportunity after returning from annual leave	Seek to ensure that such a situation does not happen again by reminding relevant staff of the importance of engagement.	1 complaint under this category
13	Environment	Transport	01/04/2021 – 31/03/2022	Unhappy with a Decision	A Taxi Company had presented the matter under a procurement arrangement to the complaints procedure.	The matter was referred to the appropriate process and a response was	Head has contacted the customer explaining the situation and the requirements of the tendering process.	Procurement and Transportation have been reviewing the tendering process to ensure that the documentation is clearer from now on.	1 complaint under this category

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						provided to the company.			
14	Environment	Transport	01/04/2021 – 31/03/2022	Language and Equality matters	Customer complaining that the taxi taking his child to school and back was changed at short notice. Due to the type of special needs the child has, these changes created serious problems for them as a family.	Realise the importance of contacting customers in every case, as something that might appear trivial to one person could cause a serious problem for someone else	The Service contacted the customer and has apologised for the problems caused due to the tendering process that took place. Noted that there were deficiencies in the procedure and that they, alongside the Procurement Unit, were reviewing the process with the intention of improving it.	Reviewed the tendering arrangements to ensure that no such problems would arise again. Discuss extending the tendering period to three years from now on.	1 complaint under this category
15	Environment	Licensing	01/04/2021-31/03/2022	Mistake/incorrect action by the Council	Customer complaining that his personal details had been shared with others by the Service and thus breaching GDPR Rules.	Service had referred itself to the Data Protection Officer for an investigation immediately when the error had been identified. Staff need to be reminded of the implications of GDPR and the need to send a hidden copy (BCC) if sending an e-mail to many at the same time.	The Service Manager sent an apology to everyone involved with this at the first opportunity once the Service realised that a mistake had happened. Also had explained to them that the Service had contacted the Data Protection Officer voluntarily, asking her to investigate the situation regarding the GDPR breach. Data Protection Officer had confirmed that she had conducted a full investigation and intending to revisit the matter again within 3 months to ensure that things have improved.	Need to remind everyone of the importance of complying with the Data Protection Act. No breaching the conditions of the Act, etc. Also asked staff whether they had made a mistake in order to be able to look at the situation immediately.	1 complaint under this category
16	Adults, Health and Well-being	Adults	01/04/2021 – 31/03/2022	Officer Conduct	Care Providers complaining about the behaviour of an officer and the lack of further communication with them on the matters they raised.	Need to ensure better communication with Service Providers.	Customer Care Officer has investigated the matter and contacted the customer to apologise for any defects in the system. And noted that they had learnt lessons from the complaint.	Record that calling the Provider to discuss a matter was often better than sending an e-mail. It would be good practice to confirm the conversation/relevant points on e-mail as a follow up.	1 complaint under this category
17	Adults, Health and Well-being	Adults	01/04/2021-31/03/2022	Mistake/incorrect action by the Council	The customer felt that the Service was not giving the family enough clarity on financial matters when arranging a support package for a member of the family.	Need to ensure in the future that a robust procedure is in place to discuss financial matters like this with the family at the first opportunity, to avoid another similar complaint.	Customer Care Officer has investigated the matter in full and apologised for any lack of discussion and explaining to the customer what had happened. Customer got back to say thanks for the response and explanation, and saying that he was satisfied with the response but asked the Service to seek to ensure that this did not happen to anyone again.	Head of Service thanked everyone who was involved in the investigation/response. He certainly saw this as an opportunity to learn lessons and prevent similar complaints in the future. Therefore, he would be asking the Senior Managers to ensure that a clear message about the need to explain and discuss the financial elements in full with individuals and/or families being shared with all relevant staff within a fortnight.	1 complaint under this category
18	Highways and Municipal	PAB	01/04/2021 – 31/03/2022	Lack of response/action	Customer complaining about the lack of response from the Highways Service He was waiting for an answer about work that was being carried out near his home.	Ensure that officers were trying to get back to customers at the first opportunity after investigating their enquiries /concerns/complaints	The matter was passed to the Service in the first instance through Galw Gwynedd. Due to the lack of response from the Service the matter turned into a complaint. Area manager contacted the customer to find a solution to the situation.	Remind everyone of the importance of responding to customers promptly.	7 complaints in this category

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19	Highways and Municipal	PAB	01/04/2021 – 31/03/2022	Mistake/incorrect action by the Service	Customer complaining that she still has not received waste and recycling equipment despite requesting it some time ago.	Ensure that the equipment that is available is distributed at the first opportunity. Realise the importance of always letting the customer know what is happening	The Manager has arranged an investigation and has responded to the customer and apologised that she did not receive the equipment sooner. He explained to the customer that there was a shortage of some equipment at the moment due to the demand for them but he note that this was not an excuse and she should have received what was available as soon as possible.	Try to ensure that the equipment is consistently available so that customers do not have to wait a long time for them. Ensure also if not all of the items on the order are available at the same time, the remainder should be delivered and the customer notified when to expect to receive the items on the order.	4 complaints in this category
20	Highways and Municipal	PAB	01/04/2021 – 31/03/2022	Officer conduct	Customer complaining that two recycling lorries had parked on the road side by side, and it appeared that the crews were chatting. According to the customer, this caused a hazardous situation for other people who were trying to travel on the road.	Ensure that staff are reminded of relevant policies in terms of behaviour etc.	Team Leader contacted the customer and apologised for the situation. Explained the reason why this situation had arisen and also confirmed that the staff had been reminded about road safety, etc.	Seek to ensure that no such incident happens again. Although the crews were trying to help each other out after changes in the routes, they should not have stopped side by side on the highway to discuss this and thus creating a hazardous situation for themselves and to others.	2 complaints in this category
21	Highways and Municipal	PAB	01/04/2021 – 31/03/2022	Unhappy with a Decision	Complaint received by a customer who noted that she and her neighbours have been complaining about bins being left out on the pavements from one week to the next by residents. This was attracting seagulls etc. to the street. The matter has been ongoing for over two years.	Try to educate residents to take responsibility to recycle more and to put away their bins after collections. Remember to update customers on developments	Waste and Streetcare Service has worked on a solution for the situation. They have corresponded with the residents and issued a notice that if the bins are not put away then the Council will take them from the street on a specific date. This has been followed up.	If there is a similar problem in another location, look back to see what worked well and take the same steps if needed. Remember to keep in touch with the customers.	1 complaint in this category
22	Highways and Municipal	PAB	01/04/2021 – 31/03/2022	Language and Equality matters	A complaint was received from a customer as the facilities in the men's toilets were unsuitable for baby changing. This was in breach of Equality regulations.	Try to ensure that the Service complies with equality rules from now on by providing resources where possible. Realise the importance of going back to customers to give them an update on the situation	The Service has offered an apology to the customer for the lack of facilities and explained there was a Strategy in the pipeline to include resources in more toilets in future. It was also unfortunate that not all buildings are suitable to install such equipment due to the type of building, the age of the building etc. It was explained that some toilets were now under the care of Community Councils.	Ensure that officers realise the importance of following up on matters and updating the customer regularly on any developments.	2 complaints in this category
23	Corporate Support	Customer Contact	01/04/2021 - 31/03/2022	Lack of response/action	Customer complaining about how she was treated on the phone by a staff member of the Service. She was passed from one officer to the next.	There was a need to remind all staff of their behaviour on the phone with customers. Also to remind them what to do in such circumstances in case a similar situation happens again.	The manager contacted the customer on the phone in the first place and apologised for the situation. Explained to the customer that the self-service system was in place to make the type of payment they mentioned on the day. The Service only receives such payments in times of emergency. The Service had not been notified that there were problems with the system by another Service and therefore the message was	Team Leader to contact the relevant Service to seek to get better communication to avoid the same from happening again. Should the Service have been notified of the problems they would have been more prepared for the situation. Ensure that all staff are trained on what to do with the system in such a situation.	1 complaint in this category

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							not shared with the staff to say that they might receive enquiries on the matter.		
24	Legal	Legal	01/04/2021-31/03/2022	Lack of response/action	Customer complaining about the lack of response from the Service to four pieces of correspondence he had sent to them	Reminding all staff about the importance of getting back to the customer with a regular update if they were unable to respond in full	After receiving 4 reminders from the SIO, the Head of Service confirmed that a response had been sent out to the customer.	Seek to ensure better communication within the Service with the customers. Reminding them of the Responding to Correspondence Policy and the Responding to Concerns and Complaints Policy.	1 complaint under this category

Agenda Item 9

MEETING	Audit and Governance Committee
DATE	17 November 2022
TITLE	LOCAL GOVERNMENT AND ELECTIONS WALES ACT 2021 – SELF-ASSESSMENTS
PURPOSE	Submit a draft of Gwynedd Council's Self-Assessment document for 2021/22 for committee consideration.
RECOMMENDATION	Members are asked to consider the contents of the draft document for 2021/22 and propose any comments and recommendations.
AUTHOR	Dewi W. Jones, Council Business Support Service Manager

1. BACKGROUND

- 1.1. This is a report presenting the council's first Performance Self-Assessment looking back at 2021/22. The report is identified as a new statutory request under the **Local Government and Elections (Wales) Act 2021**.
- 1.2. The Act provides for a new and reformed legislative framework for local government elections, democracy, governance and performance. It replaces the duties of the Local Government Measure (Wales) 2009.
- 1.3. The Act requires that a council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements. The performance requirements are the extent to which:
 - it exercises its functions effectively;
 - it uses its resources economically, efficiently and effectively;
 - whose governance is effective to achieve the above.
- 1.4. At its simplest level, a self-assessment relates to how the council meets the performance requirements and responds to the following questions:
 - How well are we doing?
 - How do we know that?
 - What can we do better and how?
- 1.5. There is a duty to publish a report setting out the conclusions of the self-assessment once in relation to each financial year and to complete the work "as soon as reasonably practicable after the end of the financial year in which it relates."
- 1.6. A duty to consult at least once in a financial year with local people, local businesses, council staff and trade unions is also stated. These consultations should be used to

obtain feedback on the extent to which the authority is fulfilling the performance requirements.

2. SELF-ASSESSMENT OF THE COUNCIL'S PERFORMANCE

- 2.1. The council already collects much of the evidence and publishes documents containing the type of information that we're expected to include within the self-assessment. This includes documents such as (but not limited to) annual reports for Performance, Equality, Director of Social Services, Annual Statement of Accounts and Governance Statement. As a result, we have tried to keep the self-assessment document relatively concise with reference towards a number of the documents where further information can be obtained to try to avoid duplication.
- 2.2. Governance Group has led/taken an overview of the process within the council to ensure that the work is owned and led at a strategic level.
- 2.3. The guidance issued by the Government suggests that the seven corporate areas common to the corporate governance arrangements of public bodies (as set out in the Well-being of Future Generations (Wales) Act 2015) should be used as a framework for the self-assessment, namely:
- Corporate planning
 - Financial planning
 - Workforce planning (people)
 - Procurement
 - Assets
 - Risk management
 - Performance management
- 2.4. The Statutory Guidance sets out the need to involve the Governance and Audit Committee in the process to give them the opportunity to submit any comments and recommendations as outlined in the box below (which is extracted directly from the document).

<p><u>Involving the council's governance and audit committee</u></p> <p><i>Para 2.40 The council must make a draft of its self-assessment report available to its governance and audit committee. The committee must review the draft report and may make recommendations for changes to the conclusions or action the council intends to take.</i></p> <p><i>Para 2.41 If the council does not make a change recommended by the governance and audit committee, it must set out in the final self-assessment report the recommendation and the reasons why the council did not make the change.</i></p>	
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- 2.5. As we've already outlined this year is the first time we have conducted the self-assessment and this time it will be published as a stand-alone document. For the future

we intend to integrate the work with the Council's performance challenge arrangements and include the self-assessment within the **Annual Performance Report** so that all information is within the same document. This document is normally prepared during April/May for submission to a meeting of the Full Council for approval at the beginning of July.

- 2.6. Failure to publish a Self-Assessment would likely result in statutory recommendations from Audit Wales, which would have implications for the reputation of the Council.

3. NEXT STEPS

- 3.1. A draft of the Self-Assessment, together with any comments or recommendations from the Governance and Audit Committee will be submitted to Cabinet on the 25th of November and to the Full Council for approval on the 1st of December.

4. RECOMMENDATION

- 4.1. The Governance and Audit Committee is requested to consider the Draft Self-Assessment for 2021/22 which appears in the appendix and provide any recommendations for changes if there are any.

Appendix 1 – Gwynedd Council Self-Assessment (Draft) 2021/22

The Local Government Act 2021 – Gwynedd Council Self-Assessment (Draft) 2021/22

Background

This report reflects Gwynedd Council's first self-assessment as expected under the Local Government and Elections (Wales) Act 2021. At its simplest level, the self-assessment is concerned with the way the Council meets the performance requirements, i.e. How well is it doing? How do you know that? And, what can it do to improve and how?

The Act requires each council in Wales to keep under review the extent to which it is meeting the 'performance requirements', namely the extent to which:

- it is exercising its functions effectively;
- it is using its resources economically, efficiently and effectively;
- its governance is effective for securing the above.

The intention of the self-assessment process is to encourage honesty, objectivity and transparency about the Council's performance and governance, including its key relationships between political leaders and officers and the way they are managed. An effective approach would be owned and led at a strategic level, but would also involve members and officers at all levels of the organisation and a variety of people across communities and partners.

Although this duty is new, it should be noted that the Council is already preparing a number of documents that contain the type of information we are expected to include within the self-assessment. This includes documents such as Performance, Equality, Director of Social Services' annual reports, Annual Statement of Accounts and the Governance Statement.

In the past, our performance reporting arrangements have focused on the progress of projects under our improvement priorities, namely:

- Create a viable and prosperous economy
- Give every pupil the opportunity to achieve their potential
- Reduce inequality within the county
- Ensure access to a suitable home
- Help people to live their lives through the medium of Welsh
- Help people who need support to live their lives as they wish
- Place the people of Gwynedd at the heart of everything we do
- Respond to the Climate Change emergency

A copy of the Council's Annual Performance Report for 2021/22 is available [here](#). The self-assessment will mean that we also consider our performance against corporate governance areas.

This document is a high-level summary of a strategic self-assessment of the Council's performance during 2021/22 with the results based on evidence from the documents listed above. Performance challenge meetings are held at a Departmental level every other month, looking at the progress of priority projects, service performance and the response to the main

risks within the Corporate Risk Register. The information then informs the regular performance reports presented by each Cabinet Member during the year together with an Annual Performance Report at the end of the financial year.

In the future, these reports will also address the progress against the issues requiring attention that will be identified within the self-assessment. These are the documents that provide information on how we have performed against our priorities in 2021/22, including progress against our well-being objectives. This year is the first time we have carried out the self-assessment and this time it will be published as a stand-alone document. The intention is to integrate the work with the Council's performance challenge arrangements and to include the self-assessment within the Annual Performance Report so that all the information is within the same document in the future.

The document includes an assessment of our governance arrangements using the seven corporate areas that are common to the corporate governance arrangements of public bodies, as suggested within the statutory guidelines of the Local Government and Elections (Wales) Act 2021, as a framework for the self-assessment, namely:

1. Corporate planning
2. Financial planning
3. Workforce planning (people)
4. Procurement
5. Assets
6. Risk management
7. Performance management

It was also decided to include a specific heading about the engagement work that takes place with residents, staff, stakeholders and Trade Unions.

We have already noted that much of the evidence for the self-assessment derives from the Annual Governance Statement and the table below outlines the link between the areas of governance risks that have been identified within that document and the themes for the self-assessment.

Self-assessment Themes	Areas of Governance Risk
Corporate Planning	Direction and vision Sustainability Lawfulness Being open Leadership Culture Conduct Decisions Stakeholders Planning operations

	Reviewing outcomes
Financial Planning	Finance Planning operations
Workforce Planning (people)	Workforce planning
Procurement	
Assets	Property assets Information Technology assets Information
Risk Management	Risk management Internal management Reviewing Outcomes Health, Safety and Well-being?
Performance Management	Performance Accountability Reviewing outcomes
Engagement	Engagement

1. Corporate Planning

Gwynedd Council sets out its vision and priorities clearly, through its Corporate Plan – [Council Plan 2018-2023](#). The Plan was published five years ago in 2018, and every subsequent year an annual Plan is published which includes a review of all the priority projects. This happens through discussions between the Cabinet Members, the Departments and the Management Team. Further engagement with the rest of the Members is also part of review arrangements and in November 2021 two virtual sessions were held in order to give them the opportunity to comment on the priorities and secure political ownership of the Plan. There is a system in place to review the priority projects regularly to ensure they deliver, and to identify any obstacle that can cause slippage. Performance reports are presented by individual members to the Cabinet twice a year as well as a very brief update of the progress of all the Council Plan projects three times a year (July/September, December and March). The [annual Performance Report for 2021/22](#) is published in July and it can be seen that the majority of projects have been completed. This is a balanced report which also draws attention to any failure when it was not possible to deliver within the timeframe, as seen with the post-16 education provision project in Arfon.

There is room to improve and strengthen the role of Scrutiny Members in the Corporate Planning work, ensuring a link between the Scrutiny programme and the realisation of the Council Plan priorities and also to hold the Cabinet to account in relation to performance. At the beginning of 2022/23, a new performance challenge procedure was introduced which strengthens in a practical way the role of scrutiny members in the performance challenge meetings, and consequently their link with the Corporate Plan (see the 'Performance Management' section in the self-assessment for more details).

It is also noted that the Governance and Scrutiny Committee has found it difficult to attract suitable lay members onto the committee as required within the Local Government and Elections Act 2021 which means that we do not have the expected number of lay members at present.

Our corporate plans comply with statutory requirements/guidelines or relevant legislation but there is room to strengthen this link. While a document such as the Council Plan 2022/23 in general addresses the specific statutory requirements of the Well-being of Future Generations (Wales) Act 2015 and refers to the objectives and the five ways of working, there is little evidence that it has permeated to become a basic element of direction setting and been mainstreamed. Further work is needed to ensure that the Well-being Act and other statutory requirements are fully integrated within our corporate planning frameworks, rather than doing so in a way that is reactive and fragmentary in nature. The role of Statutory Officers needs to be more essential when setting a path, and at present, they tend to be involved too late in matters.

Work is already underway to look at how to create a better structure and arrangements for the Council Plan 2023-28. It is also intended to look at how the statutory requirements of the Act are in line with the principles of Ffordd Gwynedd, namely the working culture the Council has adopted, to ensure that it is a core consideration when planning but also that we are able to testify how we contribute to the principles.

No formal procedure exists for self-assessment using current information (e.g. Audit reports, customer feedback, achievements) to guide Department Plans. By now, the majority of Services have established purposes that are relevant to the residents of the county and have quantitative measures that indicate contribution to the purpose. It is noted, however, that the arrangements vary across the Council with some Departments having more mature arrangements than others. *(The Council's performance management framework is developing well although implementation is currently variable, and reporting is difficult to navigate - Review of Performance Management - Gwynedd Council: Audit Wales - January 2022.)*

In general, the Council has a suitable governance procedure in place. The Council's Constitution is a public document which sets out the governance arrangements and guidance is provided to reinforce this. The Governance Arrangements Assessment Group retains an overview of governance issues within the Council. The Group comprises the Chief Executive, Monitoring Officer, Section 151 Officer, Head of Corporate Support, Assistant Head of Corporate Support, the Risk and Insurance Manager and the Council's Business Support Service Manager.

In addition, the Council publishes an annual Governance Statement which outlines our governance arrangements and their effectiveness by following the principles of the CIPFA/Solace Delivering Good Governance in Local Government Framework. A copy of the [Governance Statement 2021/22 can be found here](#).

What is good?

- A clear vision and priorities set out within the Council Plan.
- A procedure in place to review the priorities of the Council Plan consistently and regularly.
- Political ownership of the Council Plan, with the Cabinet Members and other Members involved in the process of its development and review.

What needs to be improved?

Improvement	Responsibility
We will:	
<ul style="list-style-type: none"> • strengthen the role of Scrutiny Members in the corporate planning work, ensuring a better link with the scrutiny programme and ensure that they hold the Cabinet Members to account. 	Leadership Team/Democracy and Language Service

<ul style="list-style-type: none"> We will look to strengthen our internal arrangements to ensure that statutory requirements/guidelines or legislation are a core element and are better integrated with our corporate planning work. 	Leadership Team/Statutory Officers
<ul style="list-style-type: none"> Review our self-assessment arrangements based on the experiences of the first year and also look at good practice within other Councils. 	Governance Arrangements Group/Council Business Support Service

2. Financial Planning

Gwynedd Council is responsible for ensuring that it conducts its business in accordance with the law and appropriate standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

Despite the COVID-19 crisis and the ongoing requirements to achieve challenging savings, the final financial position of the Council's departments for 2021/22 confirms that there has been effective financial management. In 2021/22, the Council was underspending, and Cabinet members approved a net underspend of services of £791,000 for the year. However, significant pressure remains in the Highways and Municipal Department, meaning they have overspent during the year. This situation is under continuous review.

The Council has effective arrangements for financial planning and management to ensure continuation of service, including accountants and internal auditors, led by the chief finance officer. Internal auditors have a focus on effective arrangements and controls in financial systems, while the accountants work closely with the departments and encourage managers' ownership of their systems, performance, and financial propriety.

Every year, the Council prepares its [Financial Strategy](#) which ensures a balanced Budget to ensure continuation of service. The Council also publishes a [Statement of Accounts](#) at the end of each financial year, which shows how annual expenditure is spent. The work of reviewing expenditure against budgets, and monitoring that savings have been achieved by all the Council's departments, ensures that the services operate efficiently. In September 2021, Audit Wales published a report confirming that the Council's financial management was good. The report can be seen [here](#).

However, one recommendation was that it was necessary to look more to the future in order to anticipate the organisation's financial situation for the years to come. Gwynedd Council's Medium-Term Financial Plan has been under ongoing review since the start of the financial year, as the financial gap facing the Council (like all other local authorities) increases rapidly as the impact of unprecedented levels of inflation affects the Council's ability to fund its services. Saving programmes will be one of the Council's top priorities in responding to this financial situation, and we will report to members, staff and the public regularly about the situation. As a result, a modified Medium-Term Financial Strategy will be presented to Cabinet when the 2023/24 financial settlement, indicative for 2024/25, becomes clearer in December 2022. This will help the Council to look at how to interweave its Financial Planning arrangements with the requirements of the Well-being of Future Generations Act.

The Council also needs to give further consideration to how it can involve residents in significant financial decisions. In the past the Council has consulted occasionally on its plans to achieve savings, for example, through the Gwynedd Challenge exercise in 2016 and the Financial Strategy consultation in 2019. It also holds workshops with Members at Council tax level and engages on Non-domestic Rates annually. The Council recognises that there is a need to be more open about financial decisions and engage more often, in order to ensure that the people of Gwynedd have an input on decisions.

What is good?

- The Council underspent during 2021/22.
- The Council has effective arrangements for financial planning and management and external auditors confirm that the Council's financial management is good.

What needs to be improved?

Improvement	Responsibility
We will:	
<ul style="list-style-type: none"> • Look to the future in order to anticipate the Council's long-term financial situation by preparing a Medium-term Financial Strategy. 	Head of Finance
<ul style="list-style-type: none"> • Consider the greatest ways to engage and involve residents in significant financial decisions and action 	Head of Finance/Communication and Engagement Service

3. Workforce Planning (people)

The feedback from staff members shows that the Council is, on the whole, a 'good place to work', and compared to a survey carried out in 2019, the results for 2021 showed an increase in this statement's score. There is further work to be done, however, in the areas of staff appreciation and fair wages. (See the Engagement chapter for more information on the Staff Voice Survey.)

To ensure that the Council is in a position to provide services that always place the residents of Gwynedd at the heart, we must ensure that we have the right staff in place with the correct skills. Although COVID-19 has highlighted an effective and committed workforce, this period has also highlighted the challenges of attracting and retaining staff across the Council, with working from home and hybrid working arrangements having meant that working for organisations beyond the area has become more attractive to officers.

By now, planning a suitable workforce for the future is one of the main priorities within the Council Plan and receives attention corporately rather than solely in the Adults and Children field, where problems existed in the past. During 2021/22, 13 new Apprentices and seven Professional Trainees (through the Managers of Tomorrow and Specialists of Tomorrow schemes) were appointed to areas identified as a priority across the Council. There are also examples of the success of the Scheme, with individuals who have started the Apprenticeship Scheme receiving promotions and permanent positions within the Council.

The People Plan prioritises improving arrangements for nurturing talent within the Council, and ensuring that our learning and development arrangements focus on the necessary elements, e.g. through the Developing Potential Scheme. As part of the priority project 'Women in Leadership', a specific Development Plan was established for women, as they have been identified as a cohort that is reluctant to apply for higher positions. This is seen in the low percentage of women who perform a managerial function within the Council, which is disproportionate to the number within the workforce as a whole, i.e. 70% women and 30% men.

While the workforce planning project brings several departments together to collaborate in order to tackle the problems of attracting and retaining staff, the Council tends to be reactive in nature rather than planning for the long-term. One weakness of Managers (on the whole) is the failure to look ahead 5-10 years considering the age of current staff and the specialisations needed for the future, which has the potential to have a significant impact on continuation of service. The Council also intends to update and review its People Plan Strategy during the year.

What is good?

- On the whole, staff feel that the Council is a good place to work, and this has increased between 2019 and 2021.

- The success of the Apprenticeships Scheme, Specialists of Tomorrow and Managers of Tomorrow schemes, Developing Potential Scheme as part of the Grow our Own Talent Development Scheme.
- 'Workforce Planning' has been identified as a cross-departmental priority project within the Council Plan for 2022/23.

What needs improving?

Improvement	Responsibility
We will:	
<ul style="list-style-type: none"> • Implement a project to address the current staff recruitment problems the Council is experiencing. 	Human Resources Advisory Service
<ul style="list-style-type: none"> • Provide guidance and advice to services in order to establish long-term workforce planning practices, so that recruitment and retention problems can possibly be avoided for the future. 	Human Resources Advisory Service

4. Procurement

Procurement is the process that enables the Council to manage the acquisition of all its goods, Services and work. The purpose of the Procurement Rules is to ensure that the Council receives value for money and the necessary level of quality and performance and that all procurement activity is carried out in an open, correct and accountable manner.

The Council has already adopted the [Sustainable Procurement Policy](#) which complies with the principles of the Well-being of Future Generations (Wales) Act 2015. By adopting the Policy, the intention is to consider the possible social, economic and environmental impact that our procurement decisions can have and what steps can be taken to make the best possible use of the council's expenditure, for the good of the county.

The Council's procurement activities show that 60% of this expenditure remains within Gwynedd, and through the 'Keeping the Benefit Local' project, the Council is endeavouring to find new ways of supporting local businesses to compete and win contracts. One aspect of the work is to move to a tender assessment approach based on social value, rather than just price and quality. The piloting of this approach was carried out during 2021/22 and a further analysis will be carried out during 2022/23 to see if it is necessary to introduce changes to the procedure in order to ensure that as much of the Council's expenditure as possible remains in Gwynedd.

The Council published its [Climate and Nature Emergency Plan](#) in March 2021 which includes a section on the work of calculating the carbon emissions deriving from procurement activities. While continuing to implement the Sustainable Procurement Policy, over the next few years the Council will also be looking to provide support to the market, particularly to local providers, to be able to measure the impact of their operations on their carbon footprint and will continue to assess its internal processes of setting criteria to measure tenders in order to ensure that it measures the environmental impact of contracts.

The Procurement Team provides advice and support to services, and ensures that the organisation adheres to its Procurement Regulations. The team's aim is to strengthen and develop the procurement specialisation within the Council, adopt best practice in the field and support the local market. There are also Category Management arrangements (Environment, Corporate and People) in place in order to look at procurement strategically and put more emphasis on conducting a thorough analysis of the market, encouraging more collaboration. We have little evidence as to how effective and efficient our internal procurement arrangements are and this is something we will address in the future.

What is good?

- The Council's procurement activities show that 60% of this expenditure remains within Gwynedd.
-

- Further projects are underway as part of the Climate and Nature Emergency Plan, in order to calculate and reduce the carbon emissions deriving from procurement activities.

What needs to be improved?

Improvement	Responsibility
We will:	
<ul style="list-style-type: none"> • Develop a set of measures to establish how effective and efficient our procurement category management arrangements are. 	Procurement Service

5. Assets

In order to achieve the objectives and improvement priorities in the Council's Corporate Plan, services have to use a number of various assets. In order to set out its assets vision, the Council has published its Corporate Asset Plan 2019/20-2029, and this is available for residents to read on the Council's website [here](#).

In order to create the Plan, discussions were held with departments so as to identify their likely asset needs over the next 10 years. A number of the plans involved preventive work, and looked at the long term in accordance with the requirements of the Well-being of Future Generations Act (Wales) 2015. Each Member of the Council had the opportunity to play a part in the process of prioritising those plans by identifying the priority he or she considered should be given to an individual plan. The Asset Plan and the Corporate Plan and the Council's Capital Plan are closely linked.

The Council's assets can be divided under two headings, namely Land and Property Assets and Information Technology Assets. One potential risk identified in the [Council's Annual Governance Statement](#) is that the Property Assets are not used to their full potential. At the moment, however, this risk score is low as a number of buildings that were no longer needed have been disposed of in accordance with the results of the work to create the Asset Plan 2019/20-2029. In terms of Council vehicles, there is a plan implemented to try and make better use of the Council's fleet that has already presented some financial savings and is likely to achieve more in the future.

The risk that the Council's Information Technology Assets are not used to their full potential is slightly higher. Using technology in an effective way is a crucial tool to ensure that services are provided in a manner that meets with the requirements of our residents, doing this in a cost-effective way. The Information Technology Strategy places particular emphasis on bringing digital services closer to the people of Gwynedd by introducing a range of new services such as apGwynedd, "My account" and the increased option of submitting requests for services online, as well as face to face or on the phone. However, there is a risk that this is not happening quickly enough and we face further risks in terms of security and cyber resilience.

The Council is currently reviewing the Asset Plan in order to provide an opportunity to reconsider and re-prioritise following the COVID-19 period, to ensure that it reflects wider changes such as Information Technology and Data. It will also be necessary to consider the challenge of adapting our buildings for the new way of working, including hybrid working arrangements for the future.

The Council does not engage more widely when creating the Asset Plan, however, specific engagement work is carried out when developing some of the individual plans. One recent example is the engagement on the development of plans for Canolfan Dolfeurig, a day centre in Dolgellau for people with learning disabilities. This takes place at a departmental rather than corporate level.

What is good?

-
- A long-term Asset Plan in place which includes priorities up to 2029/30.
-

What needs to be improved?

Improvement	Responsibility
We will:	
<ul style="list-style-type: none"> • Review the Council's Asset Plan to ensure that the priorities remain up to date due to the experiences and developments of recent years. 	Chief Executive

6. Risk Management

There are robust arrangements to monitor our compliance with some specific types of operational risks. A new Corporate Risk Register was launched in March 2021 and the system has proven to be a convenient facility for users in all Departments. It is now much easier to make a link between the risks as Departments consider their priorities and identify what needs to be done in response, and it also helps Members to challenge performance and ensure that the expected measures have been taken to reduce the risk.

The Head of Finance will prepare and promote the Authority's policy statement and risk management strategy. The risk management strategy is owned at a corporate level through the Governance Group referred to above and the Governance and Audit Committee which is responsible for challenging the governance risk scores. The Senior Audit and Risk Manager will ensure that a procedure exists to measure the efficiency of the risk management process, and that all findings from the monitoring procedure will be fed back to the risk management cycle.

When dealing with the COVID-19 crisis, the Council had not planned for a national lockdown period. However, work had already been carried out in order to categorise Services from 1 to 4 on the basis of 'essential' work. This enabled the organisation to prioritise, ensuring the continuation of 'essential' services back in March 2020. It is also important to acknowledge that the lessons learned in dealing with the COVID-19 crisis have been valuable in subsequent crises, e.g. the war in Ukraine, with a specific team quickly established to support the refugees in Gwynedd.

Although the risk management procedure and strategies for the future are generally improving and strengthening, the Governance and Audit Committee needs to satisfy itself that arrangements are in place to deal with risks in an appropriate manner.

What is good?

- A new Corporate Risk Register was launched in March 2021 and the system has proven to be a convenient facility for users in all departments.
- Lessons learned in dealing with the COVID-19 crisis have been valuable in dealing with subsequent crises, e.g. the war in Ukraine.

What needs to be improved?

Improvement	Responsibility
We will: <ul style="list-style-type: none"> • Review our arrangements to ensure that the Governance and Scrutiny Committee can satisfy itself that arrangements are in place to deal with risks in an appropriate manner. 	<ul style="list-style-type: none"> • Head of Finance/Governance Arrangements Group

7. Performance Management

At the beginning of 2022/23, a new procedure was introduced for challenging the Council's performance. In accordance with the new procedure, all Council Departments hold an internal performance challenge meeting every other month, and report to the Cabinet twice a year. The internal meetings bring together the Head of Department, Cabinet Member, Chief Executive or Corporate Directors and Service Managers on a regular basis, and there is an opportunity to challenge the progress of improvement priority projects and the performance measures of the Department's services (i.e. the day-to-day work).

The Members have an essential role within the new performance system. As well as a Cabinet Member who will attend every performance meeting in their department, a shadow Cabinet Member and Members of the Scrutiny Committees also attend two meetings a year, and the Leader of the Council once, to ensure an appropriate challenge procedure and identify whether performance improvement is needed. As already stated in chapter 1, a procedure is also in place to review the performance of priority projects, with all Cabinet Members receiving a very concise update three times a year which provides an overview of the progress of all the Council Plan projects.

There is concern about the ability to respond to concerns in a timely manner, and while the issues that arise are addressed centrally, this may not be so true at Departmental level. It is also true that some Departments have adapted to the system and have 'bought into' and adapted to the change faster than others. The Heads, Cabinet Members and Scrutiny Members have received a guide explaining the new performance system and it will be necessary to give all the Departments and Members time to adapt over the coming months.

Each Cabinet Member reports to the Cabinet twice a year in public. However, at the moment, the performance challenge reports and monthly data are not available to Gwynedd residents. The [recent Audit Wales report \(January 2021\)](#) on our performance management arrangements notes that '...the Council's performance management framework is developing well although implementation is currently variable, and reporting is difficult to navigate'.

The report also draws attention to numerous and lengthy performance reports, which do not contain important information and therefore make it difficult to get an unbiased overall picture of the Council's performance. Measures have now been put in place in order to respond to the recommendations in the report, including presenting a template and guidance to be circulated to all Heads of Department. The hope is that this will simplify the performance challenge documents, and make it possible for residents to browse through the data in due course. Our measures look at our performance against purposes that have been developed to reflect what is important to the residents of Gwynedd. As a result, little comparison is made with other local authorities when looking at Gwynedd Council's performance, unless there is a real value in doing so.

In the past, Public Accountability Measures (PAMs) were published annually to enable authorities to benchmark against a series of key measures across a number of different areas.

This information has not been collated in full (due to the pandemic) since 2018/19, therefore it is not possible to compare with other authorities for measures in a number of areas.

While the Council engages with residents on its decisions and priorities (see the Engagement chapter below), at the moment we do not engage specifically on performance. Further work is required in conjunction with the Council's Communication and Engagement Service in order to look at how we can consult with stakeholders on our performance, but we will need to be wary of consultation fatigue as we are already seeking the views of our residents on several topics and various schemes.

The Corporate Complaints Procedure continues to work well. The Service Improvement Officer ensures that we learn lessons from any complaints, and avoid repeating mistakes. The Complaints and Service Improvement Service has been able to continue to operate to deal with public concerns and to support services throughout the pandemic period.

What is good?

- A new performance challenge system in place for 2022/23, which in time hopefully ensures a more transparent and comprehensible system.
- The role of Members within the Performance system has been highlighted and current guidelines have been circulated to Cabinet Members and Scrutiny Members.

What needs to be improved?

Improvement	Responsibility
We will:	
<ul style="list-style-type: none"> • Act on the measures that have already been put in place in response to an audit of performance challenge arrangements conducted by Audit Wales in 2021/22 and continue to monitor the success of those arrangements, reviewing if necessary. 	Leadership Team/The Council's Business Support Service
<ul style="list-style-type: none"> • Develop and improve our arrangements for reporting to the public on the performance of our services. 	Each Department/The Council's Business Support Service

8. Engagement

The People of Gwynedd

A range of corporate engagement procedures have been carried out to ensure that the Council receives the public's views on its priorities and on significant decisions. In 2020/21, around 8,000 responses were received to the Council's public consultations on various topics.

One of the main corporate consultations in 2021/22-2022/23 was 'Our Area 2035', namely the engagement linked to the Regeneration Framework work and departmental engagement work such as the Housing Strategy. The purpose of the exercise was to collaborate with residents, groups and organisations to help communities to identify those priorities that would need to be addressed over the next 10-15 years and to create and realise community regeneration schemes. For this work, Gwynedd was split into 13 smaller regeneration areas in order to hold the conversations on a very local level. This exercise was undertaken in two parts:

1. September - December 2021: Holding interviews over the phone or virtual meetings via Microsoft Teams with 157 community groups and initiatives, Councillors, Community, Town and City Councils. The purpose of this was to gather qualitative data and initial messages that are important for Gwynedd communities.
2. February - June 2022: Wider engagement with the residents of Gwynedd, by experimenting with a dashboard on 'Have your Say Gwynedd' using the Engagement HQ software. It was also organised to ensure that the engagement exercises reached groups and cohorts such as young people, LGBT+ people, older people and adults with learning disabilities.

More than 3,000 people responded to the exercise and over the next few months the Council will work with communities to create 13 individual Area Plans. The work has also informed Gwynedd and Anglesey Public Services Board's Well-being Assessment, and is an important basis for the new Well-being Plan which will be published in 2023.

The Council also has a Citizens Panel to ensure representation from a cross-section of Gwynedd residents, and that their voice is central as the Council plans, provides and reviews local services for the future.

The Communication and Engagement Service leads on corporate engagement exercises and it also supports individual services to engage in the most appropriate way.

Staff

It is important that the Council is aware of the views of its staff and gives them the opportunity to provide feedback on what sort of employer the organisation is. To this end, Voice of the Staff Questionnaires are circulated to a sample of 25% of staff in each

department on a regular basis. The survey requires a score from 1 to 5 per statement and therefore it is possible to 'track' answers from cycle to cycle. The work had to be delayed during the COVID-19 period, but it is now possible to compare a survey carried out in 2019 with the results for 2021. The survey asks about areas related to their job, their service and also the Council as an organisation. It looks at issues such as continuous evaluation, managers' support, workload and resources needed to carry out a job. The survey is completely anonymous and the results are shared by Department with the Heads, so that they have the opportunity to respond to the main messages or any specific challenge relating to the Department. The results are also shared with the entire workforce via the intranet, the weekly bulletin and staff's self-service.

In addition to the corporate survey, some departments have undertaken further work to ascertain the opinion of staff on a regular basis. The Corporate Support Department and YGC Department have been accredited with 'Investors in People' in recent years and in October 2021, the Corporate Support Department was awarded a Gold Standard level for the Investors in People Health and Well-being Assessment. Further work has also been done internally by the Environment Department and the Adults Department to ensure that staff have the opportunity to provide feedback or give input on health and well-being issues.

The Council acknowledges that there is an additional challenge when engaging and communicating with front-line staff such as carers or refuse workers. Before the COVID-19 period, the Communication and Engagement Service worked with the Learning and Development Service to hold roadshows in locations such as Refuse Centre depots, in order to provide staff with information and give them the opportunity to have their say. Although there was a recent effort to do this virtually with the Trunk Roads Department, it has been difficult to engage face-to-face with front-line staff during the COVID-19 period.

Stakeholders

The Council has several stakeholders and partners that it works with on a regular basis. The willingness of public sector bodies, including Gwynedd Council, other neighbouring unitary councils, the Police, the Health Board, the third sector and others to collaborate in order to deliver public services jointly may have a substantial and visible effect on the people of Gwynedd.

The Council engages with several partners through the Public Services Board. Work is taking place to create a new Well-being Plan, and the relationship between the organisations has matured over the five years since the Board was established following the Well-being of Future Generations (Wales) Act 2015.

The Council's relationship with the Third Sector also continues to evolve. The Third Sector Liaison Group is a forum to make the most of the key connections in order to engage with county organisations, and ensures that the relationship maximises the benefit that may derive from this for the people of Gwynedd.

Trade Unions

The Council has arrangements to regularly engage with the recognised trade unions. There is a joint meeting between human resources officers, health and safety officers and officers of the three unions, Unison, GMB and Unite, on a monthly basis, where there is an opportunity to share information and discuss corporate employment issues, and any corporate decisions that may impact on the organisation's employees. There is also a monthly meeting between an officer from each union and the human resources manager, when there is an opportunity to discuss issues that are relevant to the individual union only. In addition to this, an annual meeting is held between union officers, Council officers and a committee of elected members, when there is an opportunity to discuss the high-level challenges facing the Council as an employer. This committee is known as the Local Joint Consultative Committee.

The unions are supportive of these arrangements and have not voiced any concern about shortcomings in the Council's ability to share information in relation to this.

What is good?

- During 2021/22, Our Area 2035 engagement work was carried out to look at the priorities of the County's residents for the future, doing so in a cohesive manner with the intention of avoiding duplication of work. The results of this work have been used to guide future priorities in a number of areas such as Housing, Adults and Highways and Municipal and have also fed into the development of the Services Board's Well-being Plan for Gwynedd and Anglesey.
- Effective arrangements in place to engage with different cohorts.

What needs to be improved?

Improvement	Responsibility
We will:	
<ul style="list-style-type: none"> • Review our engagement arrangements to ensure that we receive regular input from different cohorts on performance and governance issues. 	Communication and Engagement Service/The Council's Business Support Service

MEETING	Audit and Governance Committee
DATE	17 November 2022
TITLE	Audit Wales Reports
AMCAN	Provide an update to the Committee on the Audit Wales work programme for Quarter 2 and reports published recently
RECOMMENDATION	Members are asked to accept the report.
AUTHOR	Dewi W. Jones, Council Business Support Service Manager/Alan Hughes, Audit Lead, Audit Wales

1. BACKGROUND

- 1.1. The Audit and Governance Committee has a role to review and assess the risk management, internal control, performance management and corporate governance arrangements of the Council and as part of this role there is an expectation to consider the reports of external review bodies such as Audit Wales, Estyn and Care Inspectorate Wales (CIW).

- 1.2. As well as actively considering reports the committee are expected to assure themselves that there are arrangements in place to monitor and evaluate progress against any recommendations contained in them. To facilitate this work Audit Wales has prepared a quarterly update on the work of the review bodies and a copy of this document for Quarter 2 2022/23 is included as **Appendix 1**.

- 1.3. A report on the current studies of Audit Wales, Estyn and Care Inspectorate Wales (CSSIW) and the progress made by the Council in response to proposals or recommendations was presented to the meeting of this Committee on the 30th of June 2022. The next report will be presented in January/February 2023.

- 1.4. In the meantime, a copy of the 'Springing Forward' report has been included as **Appendix 2** with a management response document included as **Appendix 3** which outlines what we as a Council intend to do to respond to the recommendations within the report. Geraint Owen, Corporate Director, will attend the meeting to set the context and respond to any questions if necessary.

Audit Wales Work Programme and Timetable – Gwynedd Council

Quarterly Update: 30 September 2022

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in January 2022.	December 2022	Draft report to be issued in November 2022.

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council and its Minor Joint Committees' 2021-22 Statement of Accounts	To provide an opinion on the 'truth and fairness' of the financial statements for the financial year ended 31 March 2022.	Final Audit: • June through to October 2022	Gwynedd Council Statement of Accounts was received on 13 June 2022 and audit fieldwork is nearing completion. Joint Planning Policy Committee's Annual Return was received on 17 June 2022. Harbours' Annual Return was received on 25 May 2022. These audits have now been completed but subject to Auditor General Wales approval.

Description	Scope	Timetable	Status
Audit of the Gwynedd Pension Fund Statement of Accounts	To provide an opinion on the 'truth and fairness' of the financial statements for the financial year ended 31 March 2022.	Final audit: <ul style="list-style-type: none"> October 2022 through to November 2022. 	Statements of Accounts received on 27 June 2022 and audit fieldwork is nearing completion.
Certification of Grant return: Teachers' Pension Contributions for the financial year 2021-22	Certification that the end of year certificate is: <ul style="list-style-type: none"> Not fairly stated Is not in accordance with the relevant terms and conditions 	Council deadline last working day in May 2022. Certification deadline 30 November 2022.	Return received on 30 June 2022. The audit has not yet started.
Certification of Grant return: Non-Domestic Rates 2021-22	Certification that nothing has come to our attention to indicate that the return is: <ul style="list-style-type: none"> Not fairly stated Is not in accordance with the relevant terms and conditions 	Council deadline 30 June 2022. Certification deadline 30 November 2022.	Return received on 30 June 2022. The audit has not yet started.
Certification of Grant return: Housing Benefit Subsidy 2021-22	Certification that nothing has come to our attention to indicate that the return is: <ul style="list-style-type: none"> Not fairly stated Is not in accordance with the relevant terms and conditions 	Council deadline 30 April 2022. Certification deadline 31 January 2023.	Return received on 27 April 2022. The audit has not yet started.

Performance Audit work

2021-22 Performance audit work	Scope	Timetable	Status
<p>Assurance and Risk Assessment</p>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At Gwynedd Council the project is likely to focus on:</p> <ul style="list-style-type: none"> • Financial position • Implications of the Local Government and Elections (Wales) Act • Carbon reduction plans 	<p>April 2021 to October 2022</p>	<p>Ongoing</p>

2022-23 Performance audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle. The project is likely to focus in particular on:</p> <ul style="list-style-type: none"> • Financial position • Capital programme management • Use of performance information – with a focus on service user feedback and outcomes. • Setting of well-being objectives. 	<p>April 2022 to July 2023</p>	<p>Ongoing</p>

2022-23 Performance audit work	Scope	Timetable	Status
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – February 2023	Fieldwork
Thematic review – Digital	This project is being scoped with further details of the specific focus of the review to be confirmed.	To be confirmed.	Scoping
Review of the Effectiveness of Scrutiny	This review will ask the question: Does the Council has effective arrangements for scrutiny at public committee?	October 2022 – March 2023	Scoping

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Gwynedd Council
Poverty	Understanding how local authorities ensure they deliver their services to minimise or reduce poverty	Autumn 2021 – Autumn 2022	Clearance – publication October 2022.	Yes – interview with nominated officer at the Council.
Social Enterprises	Review of how local authorities are supporting and utilising social enterprises to deliver services	Autumn 2021 – Autumn 2022	Clearance – publication November 2022.	Yes – interview with nominated officer at the Council.
Building Social Resilience and Self reliance	Review of how local authorities can build greater resilience in communities	Autumn 2021 – Autumn 2022	Report drafting.	Yes – interview with nominated officer at the Council.
Building safety	Review of how well local authorities are delivering their responsibilities for building safety	September 2022 – August 2023	Project initiation.	Yes – interview with nominated officer at the Council and survey.

Study	Scope	Timetable	Status	Fieldwork planned at Gwynedd Council
<p>Planning for sustainable development – Brownfield regeneration</p>	<p>Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites</p>	<p>October 2022 – September 2023</p>	<p>Project development.</p>	<p>Yes – interview with nominated officer at the Council and survey.</p>
<p>Corporate Joint Committees</p>	<p>Assessing CJsCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.</p>	<p>September 2022 – January 2023</p>	<p>Setting up fieldwork.</p>	<p>Yes – We are exploring the Council's perspective via our routine liaison meetings. Fieldwork includes interviews with the chief executive, director of finance and chair of each of the four CJsCs.</p>

Estyn

Estyn planned work 2022-23	Scope	Timetable	Status
Local Government Education Services Inspections	<p>Estyn inspected Anglesey and Swansea local government education services during the summer term. The reports were published in August and early September. Estyn carried out a post-inspection improvement conference in Torfaen in September and will be monitoring Pembrokeshire local authority in early October. Estyn has updated the inspection guidance to reflect a greater emphasis on socio-economic disadvantage and inequity and to make minor tweaks in response to feedback from inspections in 2021-22.</p>	<p>Inspection guidance review – July. Published on website September 1.</p>	<p>N/A</p>
Curriculum reform thematic review	<p>The Welsh Government has also asked Estyn to review the school improvement services in south-west Wales.</p>	<p>Evidence collecting in June/July – findings presented to the Welsh Government in September.</p>	<p>N/A</p>

Care Inspectorate Wales (CIW)

CIW planned work 2022-23	Scope	Timetable	Status
Programme 2022-23	We continue to test and evaluate our revised approach – including assurance checks, improvement checks, and performance evaluation inspections (PEIs). This will result in a revised operating framework for inspection and a revised code of practice.	April 2022- March 2023	In progress
Joint work	<p>We continue to work with partners, sharing information and intelligence including completing joint reviews.</p> <p>We currently are working in collaboration with HIW for a national review of the stroke pathway and CMHT inspections.</p>	Current	In progress
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2021-22	Following the publication of the 2020-21 report, planning is underway for the next report's publication date to be confirmed.	Publication to be confirmed.	Drafting/data collecting.
Annual meeting with Statutory Directors of Social Services	CIW will meet with all Directors of Social Services.	December 2022 and January 2023	Planning

CIW planned work 2022-23	Scope	Timetable	Status
<p>National review of care planning for children and young people subject to the Public Law Outline pre-proceedings</p>	<p>Purpose of the review</p> <p>To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p>	<p>September 2022</p>	<p>Planning/surveying</p>
<p>Joint inspection child protection arrangements</p>	<p>Cross-inspectorate approach. Areas to be determined. We will complete a further four multi-agency joint inspections.</p> <p>We will publish a national report in late 2023.</p>	<p>Autumn 2022 – Spring 2023</p>	<p>Planning</p>

CIW planned work 2022-23	Scope	Timetable	Status
Cafcass assurance check	<p>CIW will continue to develop its approach to inspection and review of Cafcass Cymru. We have published its first assurance check letter.</p> <p>We will evaluate our approach and will consult on our revised approach in late 2022. This will result in a revised operating framework for inspection and the code of practice.</p>	September – December 2022	Planning

Audit Wales national reports and other outputs published since January 2022

Report title	Publication date and link to report
Equality Impact Assessments: More than a Tick Box Exercise?	September 2022
Welsh Government – setting of well-being objectives	September 2022
Welsh Government workforce planning and management	September 2022
NHS Wales Finances Data Tool – up to March 2022	August 2022
Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report	August 2022

Report title	Publication date and link to report
Public Sector Readiness for Net Zero Carbon by 2030	July 2022
Sustainable Tourism in Wales' National Parks	July 2022
Third Sector COVID-19 Response Fund – Memorandum for the Public Accounts and Public Administration Committee	July 2022
The Welsh Community Care Information System – update	July 2022
Tackling the Planned Care Backlog in Wales – and waiting times data tool	May 2022
The new Curriculum for Wales	May 2022
Unscheduled care – data tool and commentary	April 2022
Direct Payments for Adult Social Care	April 2022
Local Government Financial Sustainability data tool	February 2022
Joint Working Between Emergency Services (including data tool)	January 2022

Audit Wales national reports and other outputs (work in progress/planned)¹

Title	Anticipated publication date
Welsh Government accounts commentary 2020-21 ²	September/October 2022
Collaborative arrangements for managing local public health resources	October 2022
National Fraud Initiative (summary report)	October 2022
Cyber resilience follow-up (learning from cyber-attacks)	October 2022
Flood risk management	November 2022
Orthopaedic services	November 2022
Quality governance in the NHS	November 2022
Digital inclusion	November/December 2022

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. This includes maintaining some flexibility so that we can respond to developments in Welsh Government policy and areas of possible interest for the Public Accounts and Public Administration Committee. On 22 September, we published an article to our website providing an [update on the development of the Auditor General's work programme](#) following our consultation in spring 2022. We will be bringing some additional new work into our programme during the rest of 2022-23.

² To include commentary on issues raised in the Auditor General's report on the accounts concerning a payment made to the former Permanent Secretary and COVID-19 business support.

Title	Anticipated publication date
Affordable housing	To be confirmed

Good Practice Exchange events and resources

Title	Link to resource
<p>Tackling poverty in Wales: responding to the challenge – this shared learning event will bring people together from across public services to share ideas, learning and knowledge on how organisations can respond to the challenges caused by poverty. We will share examples of approaches being taken by organisations within Wales and across the UK.</p>	<p>Tackling Poverty: Cardiff event</p> <p>Tackling Poverty: Conwy event</p>
<p>Direct Payments Provision – a webinar discussing our report on direct payments provision and how they can be a key part in implementing the principles of the Social Service and Well-Being (Wales) Act 2014.</p>	<p>Direct Payments Provision webinar recording</p>
<p>Responding to the Climate Emergency in Wales – a webinar discussing emerging findings from our baseline review of public bodies’ arrangements to respond to the Welsh Government’s carbon reduction targets for 2030.</p>	
<p>Covid Perspectives – a series of recorded conversations learning how organisations have adapted to the extended period of uncertainty following the initial COVID emergency.</p>	<p>Covid Perspectives: Engagement and Communications</p>

Recent Audit Wales blogs

Title	Publication date
<u>Cost of living and putting away the bayonet</u>	21 September 2022
<u>Heat is on to tackle Climate Change</u>	18 August 2022
<u>Direct Payments in Wales</u>	15 June 2022
<u>Unscheduled Care in Wales – a system under real pressure</u>	21 April 2022
<u>Skills Competition Wales</u>	18 February 2022
<u>Cyber resilience – one year on</u>	9 February 2022
<u>Helping to tell the story through numbers</u> (Local government financial sustainability data tool)	3 February 2022
<u>Call for clearer information on climate change spending</u>	2 February 2022
<u>Actions speak louder than words</u> (Building social resilience and self-reliance in citizens and communities)	14 January 2022

Springing Forward – Gwynedd Council

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This document is also available in Welsh.

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Summary report

Summary

What we reviewed and why

- 1 As the world moves forward, learning from the global pandemic, this review has looked at how the Council is strengthening its ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 2 We reviewed the Council's arrangements for managing its assets and workforce:
 - a. for assets, our primary focus was on office accommodation and buildings from which the Council delivers services to its residents; and
 - b. for workforce, our focus has been on the challenges highlighted during the pandemic that have exacerbated some long-standing workforce issues.We looked at how the Council strategically plans to use its assets and workforce, how it monitors their use and how it reviews and evaluates the effectiveness of its arrangements.
- 3 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015 we recognised that it would take time for public bodies to embed the sustainable development principle, but we also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 4 This project had three main aims:
 - to gain assurance that the Council is putting in place arrangements to transform, adapt and maintain the delivery of services;
 - to explain the actions that the Council is taking both individually and in partnership to strengthen its arrangements as well as further embed the sustainable development principle; and
 - to inspire the Council and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 5 This is important because Gwynedd Council invests considerable sums in its building assets and workforce. Some key information from 2020-21 is show in **Exhibit 1**.

Exhibit 1: key facts and figures relating to building assets and workforce.

Number of Council buildings owned in 2020-21	965 buildings
Value of property, as at 31 March 2021	Approximately £311 million
Number of staff	5,849
Spending on workforce	£149 million which equates to 39% of Gross Expenditure chargeable to the General Fund
Percentage of the workforce, of staff who were male	28.2%
Percentage of the workforce, of staff who were female	71.8%
Percentage of staff who work full time	52.5%
Percentage of staff who work part time	47.5%
Percentage of staff aged over 55 years	24.2%
Number of staff who left the Council by their own choice in 2020-21	400

- 6 The COVID-19 pandemic has impacted on demand for buildings and the way that staff work. This report examines some of these impacts and the way that the Council benefits from the positives and mitigates risks from the negatives when planning future service delivery.
- 7 We undertook the review during the period December 2021 to February 2022.

What we found

- 8 Our review sought to answer the question: Is the Council's strategic approach strengthening its ability to transform? In doing this work we have identified some of the direct impact of the pandemic as well as some operational and governance issues exacerbated by the pandemic.
- 9 Overall, we found that the Council is actively working on its Future Working Arrangements project and developing the vision and plans across all services but looking further ahead will strengthen the Council's consideration of the sustainable development principle.
- 10 We reached this conclusion because:
- the Council continues to implement its Future Working Arrangements project but has not yet developed a corporate vision for its assets or the associated delivery plans that shape the future of its land and building assets;
 - the Council has proactive examples of management and repurposing of assets although there are opportunities be more consistent across the services within a corporate vision;
 - defining and reviewing progress towards short, medium and longer-term objectives for its asset base will strengthen the Council's ability to transform, adapt and maintain the delivery of its services;
 - the Council has developed a vision for its workforce although this is not complete;
 - the Council has engaged with staff and managers as part of its Future Working Arrangements project, and needs to develop longer-term workforce plans, reflecting its pandemic experience, to support service delivery in a more proactive way; and
 - the Council maintains an overview of current workforce issues but there is an opportunity to make more use of data and use benchmarking to measure the current and longer-term success of its workforce initiatives.

Recommendations

Exhibit 2: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
Vision, strategies, delivery plans and the sustainable development principle	
R1	The Council needs to put the sustainable development principle at the heart of its considerations, building on the experience of the pandemic, as it: <ul style="list-style-type: none">• develops the Council’s vision for the shape and size of its land and building assets and workforce in the short, medium, and long term;• develops asset and workforce strategies; and• develops costed delivery plans.
Data and Benchmarking	
R2	Develop the use of data and benchmarking to inform planning, budget setting and measure the longer-term success of its asset and workforce initiatives.

Detailed report

Assets

The Council continues to implement its Future Working Arrangements project but has not yet developed a corporate vision for its assets or the associated delivery plans that shape the future of its land and building assets

11 In reaching this conclusion we found that:

- the Council's 'Working to the Future' project demonstrates a commitment to a new model of working which will change the way offices are utilised. The Council is of a view that there is uncertainty about what the future workplace needs will be and more time is needed to reflect.
- a project manager has been appointed to lead the review of future office space and buildings' needs, and the Council has identified the need to review the current desk-based telephone system with a view to implement more flexible computer-based phones for most users by the end of 2022.
- the Corporate Management Team favour a reduction in desk numbers and adopting hot desking arrangements. Hybrid working spaces are being trialled within some sections to demonstrate to staff how hybrid workspaces can look in the future. A longer-term aim will be to transition fully to such hybrid workspaces.
- the 'Working to the Future' project has not set out a stated vision or developed the accompanying delivery plans. However, the project does say the Council's aspirations are to be a modern council, providing opportunity for staff to work flexibly, working wherever is most suitable to maximise the use of technology and work efficiently.
- whilst new hybrid arrangements are currently being trialled in some departments, the corporate vision and plans describing the future use of office space have not been formalised and approved. Councils need to be mindful of the fact that incremental change, without an approved vision, could take them in the wrong direction. In addition, the Council needs to ensure it maximises learning from the trial and uses this learning to inform the longer-term direction.
- the Council is consulting with residents in each of the authority's 13 wellbeing areas to inform the wellbeing assessment and generate local regeneration plans. Regeneration plans will reflect the needs of individual communities and provide direction. The Council is clear the local assessments have the potential to inform a transformational long-term asset management approach.
- there are further opportunities where the Council can ensure that key strategies and plans are aligned and integrated, for example:

- the 2022-23 revision of the Gwynedd Council Plan does not identify the commitment to modernise the ways of working nor recognise the ‘Working to the Future’ project.
- the current 2019-2029 Asset Plan is a prioritised list of capital projects by each department for the ten-year period. It is not driven towards a certain vision nor desired end state for the Council’s asset base.
- services have not identified their current and longer-term asset needs, and the financial cost is not known.
- strategies such as the Climate and Nature Emergency Plan 2022-23 – 2029-30 and Principles of an Education System which are Fit for Purpose need to be developed and costed to support the corporate asset vision and plan.
- at the start of the pandemic, some of the Council’s infrastructure, such as the continued use of desktop computers, was very traditional and was incompatible with their aspiration to be a modern council.
- the Well-being of Future Generations (Wales) Act 2015 requires public bodies to have a good understanding of future needs. The Council needs to put the sustainable development principle at the heart of its corporate asset vision and supporting plans to help it deliver its workforce and service delivery aspirations, both now and in the future. This should help ensure its assets deliver maximum impact, across a range of its objectives.

The Council has proactive examples of management and repurposing of assets although there are opportunities to be more consistent across the services within a corporate vision

12 In reaching this conclusion we found that:

- the use of technology has moved some services away from a traditional office environment which will lead to a reduction in demand for office space at historical administrative centres.
- the pandemic has helped move some agendas forward at a greater pace than originally planned. These include home working, virtual meetings, and a reduction in travel. Whilst the Council wanted to change its way of working, it had not identified the need to replace key elements of infrastructure.
- the pandemic has provided some opportunities for the Council to offer its assets to other public bodies, such as providing leisure centres for booster vaccine rollouts.
- the Council actively seeks opportunities to repurpose decommissioned sites to provide new uses such as accommodation for the homeless and new housing development.

- the Housing and Property Department has developed preventative measures within the homeless services and specialist support accommodation. The specialist accommodation aims to provide more than the housing need by addressing the root causes of problems faced by vulnerable individuals. It aims to deliver real benefits, with the added value of reducing demand on public services.
- whilst the above is a good example of the Council delivering integrated preventative projects, examples do not appear to be as forthcoming across all Council services. This is symptomatic of the five ways of working not being embedded in everything the Council does.

Defining and reviewing progress towards short, medium and longer-term objectives for its asset base will strengthen the Council’s ability to transform, adapt and maintain the delivery of its services

13 In reaching this conclusion we found that:

- the Council has developed its understanding of how use of assets will change in the future, but does not plan to undertake a complete review until the end of the pandemic.
- the Council has not stated what it wants to achieve over the short, medium and longer-term for its asset base, and is not reviewing progress over the medium or longer term.
- the Council is not actively using benchmarking in its approach to better understand its own performance and identify areas for improvement.

Workforce

The Council has developed a vision for its workforce although this is not complete

14 In reaching this conclusion we found that:

- the Cabinet adopted a vision in February 2022:
‘A Council that supports, empowers and trusts the workforce to work flexibly and productively to provide high-quality services, in a way that substantially reduces our impact on the environment.
Build on the new ways of providing services that have been developed during the pandemic, by giving staff the flexibility to work flexibly and use technology to work and communicate virtually.’
- whilst the Council Plan states that ‘we must ensure that we have the right staff in place with the right skills’, the adopted vision does not refer to

ensuring that the Council has the right people, the right place nor at the right cost.

- the Council has demonstrated a clear commitment to ‘Planning the Workforce’ which is included in the ‘Placing the people of Gwynedd at the heart of everything we do’ improvement priority within the Council Plan, which aims to:
 - extend the Apprenticeship Plan to include a higher number of apprentices;
 - implement the internal Talent Development Plan across all Council departments;
 - continue to carry out local recruitment campaigns #GalwGofalwyr across the county, as well as trialling new ideas and methods to attract more applicants;
 - collaborate closely with the departments’ management teams to agree on established arrangements and identify gaps in skills and expertise anticipated over the next five-ten years and to take pro-active steps to address these; and
 - look specifically at the recruitment situation in the children’s social care and adult care fields, looking at ways to increase capacity and the resilience of our workforce.
- however, ‘Planning the Workforce’ appears to be focused on some rather than all departments. It is not fully aligned with current perceived best practice in ‘workforce planning’ as it focuses on a reactive ‘identify and fill in the gaps’ approach rather than active longer-term shaping. Active strategic workforce planning would assist managers to see what is coming, as opposed to seeing and dealing with it once it has arrived, and substantial investment is required to transition fully from a reactive to a proactive method of workforce management.

The Council has engaged with staff and managers as part of its Future Working Arrangements project, and needs to develop longer-term workforce plans, reflecting its pandemic experience, to support service delivery in a more proactive way

15 In reaching this conclusion we found that:

- the Council has a good understanding of the current workforce challenges which include recruitment and retention of staff in numerous roles.
- Council managers have had discussions with 1,800 staff members to obtain an understanding of their wishes regarding their future working arrangements:
 - 59% stated a preference for a hybrid working arrangement;

- 25% desired working from home; and
- 15% desired to work from an office.
- Human Resources and the Trade Unions worked together to support the implementation of new developments in health and safety.
- the Human Resources team has grown its networks from a predominantly local government family to include a wide range of employers, including Health, Police and Fire, to encourage sharing of practices. The Council also chairs a national group which has been helping with the development of guidelines and good practice.
- the Council has several initiatives, including an Apprenticeship Plan, Cynllun Yfory and Talent Development Plan.
- ‘the Council's Vision for Working in the Future’ report, as presented to the Council’s Cabinet, does not describe how the Council has applied the sustainable development principle and considered the five ways of working, as set out in the Well-being of Future Generations (Wales) Act 2015.
- more integrated thinking would help the Council make the connections between relevant strategies and ensure they are all geared towards delivering the overall vision and strategies that drive the whole of the Council in the same direction.
- embedding the sustainable development principle and its five ways of working would also help the Council amongst others to:
 - develop better working relationships with other providers such as the third sector;
 - work alongside local colleges to ensure that students are trained in the right areas and are familiar with the Council as a prospective employer by the time they finish their qualification; and
 - benefit more from joint working.

The Council maintains an overview of current workforce issues but there is an opportunity to make more use of data and use benchmarking to measure the current and longer-term success of its workforce initiatives

16 In reaching this conclusion we found that:

- the Council has developed a COVID dashboard that captures key information including sickness rates, posts that have been advertised three times; number of staff redeployed, number of staff testing positive for COVID, percentage of staff absent from work (overall and adults), PPE burn rate, to provide management with an overview of key measures.
- the Council has consulted with managers to see if hybrid and home working arrangements are working to support the delivery of services, gaining an understanding of what works, and what does not.

- workforce-related information in some areas appears to be limited, and a wider understanding of topics such as leavers, success of recruitments and trends in vacancies would provide the Council with a measure of the success of talent-management-related initiatives.
- individuals noted that comparison with other councils is difficult and is not frequently used. These barriers need to be overcome as effective benchmarking is the only way the Council can properly assess its performance and help it identify opportunities to deliver better value.
- the Council has an opportunity to review current internal and regional arrangements to identify those that provide additional value, and areas where improvement or changes are required. However, effective workforce planning needs a full range of current data not only about the workforce but about the demands placed upon it. It is only when equipped with this information that an effective workforce approach can be developed.



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Appendix 3

Management response

Report title: **Springing Forward – Gwynedd Council**

Completion date: **September 2022**

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Ref	Recommendation	High priority (yes/no)	Management response	Completion date	Responsible officer
R1	<p>Vision, strategies, delivery plans and the sustainable development principle</p> <p>The Council needs to put the sustainable development principle at the heart of its considerations, building on the experience of the pandemic, as it:</p>		<p>The principle of sustainable development will be central to all considerations in the context of updating and reviewing the following plans and strategies;</p> <p>1.The latest review of the Assets Strategy</p>	May 2023	Carys Fon Williams

Ref	Recommendation	High priority (yes/no)	Management response	Completion date	Responsible officer
	<ul style="list-style-type: none"> develops the Council's vision for the shape and size of its land and building assets and workforce in the short, medium, and long term; develops asset and workforce strategies; and develops costed delivery plans. 		<p>2. The Land and Property Assets Plan to be included as a corporate improvement priority in the next Five-Year Council Plan</p> <p>3. Ffordd Gwynedd Plan 2022-27 (Corporate Organisational Plan) to be adopted by the Cabinet</p> <p>4. Corporate Future Working Scheme to be drawn up following hybrid working trial (trial to be completed by the end of December 2022)</p>	<p>April 2023 – March 2028</p> <p>January 2023</p> <p>May 2023</p>	<p>Carys Fon Williams</p> <p>Geraint Owen</p> <p>Geraint Owen</p>
R2	<p>Data and Benchmarking</p> <p>R2 Develop the use of data and benchmarking to inform planning, budget setting and measure the longer-term success of its asset and workforce initiatives</p>		<p>The Digital Transformation Board has been established in order to lead on the Council's Digital Strategy for the next five years. Three</p>	<p>June 2023</p>	<p>Geraint Owen/Huw Ynyr</p>

Ref	Recommendation	High priority (yes/no)	Management response	Completion date	Responsible officer
			<p>sub-groups have been set up as follows;</p> <p>Data Administration Customer Contact</p> <p>The Data Sub-Group is led by the Head of Corporate Support and has already set its objectives as;</p> <ul style="list-style-type: none">• Ensure that the Council is clear of its information requirements in order that the data collated is relevant to the Council's needs and the residents for	June 2023 – March 2028	Ian Jones

Ref	Recommendation	High priority (yes/no)	Management response	Completion date	Responsible officer
			<p>whom we provide services</p> <ul style="list-style-type: none">• Ensure that the Council uses the data in its possession to- Appraise and measure the impact of its interventions- Make good decisions on the basis of evidence- Improve service performance for the residents of Gwynedd- Improve service efficiency and effectiveness		

Ref	Recommendation	High priority (yes/no)	Management response	Completion date	Responsible officer
			<ul style="list-style-type: none">• Strengthen the contact with the wider world in order to enable the Council to effectively contribute towards national and regional developments• Ensure that the Council's workforce is confident in dealing with data and is able to collate, interpret and share correctly and consistently. This to include that data is seen as an organisational asset as opposed to a historical record		

Ref	Recommendation	High priority (yes/no)	Management response	Completion date	Responsible officer
			<ul style="list-style-type: none"> Equip the Council with the ability to hold data in a secure and sustainable mode. This to include facilitating services' and residents' ability to access information as required 		