

THE CABINET 16/02/21

Present:

Councillors: Dyfrig Siencyn, Dafydd Meurig, Craig ab Iago, Gareth Wyn Griffith, Nia Wyn Jeffreys, Dilwyn Morgan, Gareth Thomas, Ioan Thomas, Catrin Wager and Cemlyn Rees Williams

Also present:

Dilwyn Williams (Chief Executive), Morwena Edwards (Corporate Director), Iwan Evans (Head of Legal Services), Dafydd Edwards (Head of Finance Department) and Annes Siôn (Democracy Team Leader).

Items 6 and 7: Dafydd Wyn Williams (Head of Environment Department)

Item 8: Dafydd Gibbard (Head of Housing and Property Department)

Item 9: Dewi Wyn Jones (Business Support Service Manager)

Items 10 and 11: Ffion Madog Evans (Senior Finance Manager)

Item 12: Dewi Morgan (Assistant Head of Finance - Revenue and Risk)

1. APOLOGIES

The Cabinet Members and Officers were welcomed to the meeting.
No apologies were received.

2. DECLARATION OF PERSONAL INTEREST

A declaration of interest was received from Cllr Dyfrig Siencyn for item 12 as a close family member owned a second home or vacant property.

3. URGENT ITEMS

There were no urgent items.

4. MATTERS ARISING FROM OVERVIEW AND SCRUTINY

There were no matters arising from overview and scrutiny.

5. MINUTES OF THE MEETING HELD ON 26 JANUARY 2021

The Chair accepted the minutes of the meeting held on 26 January 2021 as a true record.

6. BUS EMERGENCY SCHEME

The report was submitted by Cllr Gareth Griffith

DECISION

It was agreed that the Council would join the BES2 Scheme in accordance with the report.

Delegated powers were granted to the Head of Environment Department in consultation with the Head of Finance Department and Head of Legal Services to agree and complete the Voluntary Regional Partnership Agreement for the implementation of the scheme in North Wales.

DISCUSSION

The report was submitted noting the decision namely that the Council would join the Welsh Government's BES2 Scheme in accordance with the report.

The Head of Environment Department added that two schemes had been implemented previously to support public transport by ensuring sufficient financial support throughout the emergency period. It was highlighted that the scheme was a partnership between Local Authorities, Welsh Government, Transport Wales and operators. It was noted that the scheme ensured sufficient financial support for operators and the objectives seen in the report were highlighted. It was emphasised that it was a temporary scheme that would come to an end in July 2022 and that it gave more control for Welsh Government and Transport Wales in terms of prioritising services and influencing ticket prices. It was highlighted that the scheme was far-reaching.

It was noted that it was a period of great change with re-designing across the country and the importance of being part of this scheme was highlighted in order to influence to ensure specific services in rural services across the county, which would be considered as more of a challenge in Gwynedd.

Observations arising from the discussion

- It was enquired whether or not committing to the temporary scheme would further commit the Council to the scheme. It was noted that there was a number of work streams and that joining would ensure that streams moved forward, highlighting that there was a correlation and that one could only influence by joining.
- It was stated that the recommendation noted to join in order to influence, it was enquired what were the implications of not joining. It was stated that it was not entirely clear at present, but it was noted that companies would see the most impact but the need to be able to influence was emphasised.
- It was noted that Welsh Government would have a role for the main streams but the need for a local role was highlighted in order to look out for Gwynedd residents. It was also elaborated that there was much expertise locally. It was noted that it was encouraging that Welsh Government was interested in the work undertaken by us on social value when prioritising transport. The need for more control and local expertise was explained.
- Some concerns were highlighted with regards to giving more powers to Transport Wales in the field of buses and that this could hinder local

democracy once again if we were not careful.

- It was emphasised that the Cabinet Member was part of the North Wales Transport Sub-group and that the past year had been very busy in the field. Although Welsh Government was eager for this to be adopted across the whole of Wales, it was stated that they did not have the capacity to consider the whole of Wales and, therefore, local support was expected.

7. PARKING REVIEW

The report was submitted by Cllr Gareth Griffith.

DECISION

- The amendments to the Parking Strategy were adopted by changing the parking management arrangements and implementing the parking fees structure in Gwynedd to be implemented from 1 April 2021. It was agreed on an additional late adjustment to the report, reconciling the enforcement hours of Band 1 Car Parks to be operational between 10am and 4:30pm, and to keep the income level under review during 2021/22, with a view to assist the Environment Department should the real income from parking fees be lower than the target in the budget due to this late adjustment.
- The Head of Environment Department was authorised to take the necessary statutory steps to implement the revised fee structure from 1 April 2021.

DISCUSSION

The report was submitted, noting that it was an item that had been discussed for a while but it had been held back as a result of the pandemic. It was stated that Council policies had not changed for many years and that the Education and Economy Scrutiny Committee had resolved to create a task-force to examine the county's arrangements. It was highlighted that this report was the result of the task-force's work.

The Head of Environment Department added that the current strategy had been adopted back in 2015. It was explained that a number of things had changed since then such as an increase in electric vehicles, less use of cash along with an increase in the number of outdoor events. Attention was also drawn to the increase seen during lastsummer in the number of motor homes. It was emphasised that these had highlighted more challenges in terms of parking.

It was noted that the Cabinet and the Full Council had agreed to increase income in the field as part of the savings scheme. With an increase in inflation along with the savings target, it was highlighted that an income increase of approximately £400k would be required. It was explained that the brief of the task-force was to address the increased income but to keep the impact on local residents to a minimum. It should be emphasised that the work undertaken by the Task-force had been very thorough.

It was noted that the task-force had highlighted that the car park banding system was too complex and that it had been simplified from 5 bands to 3. It was noted that the task-force could have increased the price by 10% across the whole location but the task-force had decided to look at the field differently and the main changes were outlined. The need to ensure that the short-stay parking fee in the main centres remained the same was noted, but that enforcement hours would be adapted in Bangor to 9am until 5pm. It was stated that the long-stay price would be increased specifically in band 2 car park fees and that there would be an increase in season tickets to correspond with inflation.

Parking options during the Christmas period were highlighted along with the desire to keep the free parking arrangements in order to support businesses. It was noted that consideration had been given to residents and Blue Badge holders and that a decision had been made to retain them at present. It was noted that the summer period last year had highlighted the need to increase parking enforcement resources and to strengthen the team. It was noted that these changes not only increased income but identified the changes that had been highlighted over the past 6 years and the needs of residents and visitors were being met in undertaking the adaptations.

Observations arising from the discussion

- The importance of including the Scrutiny Committee as part of the decision-making process and to examine the impact on the economy locally was highlighted.
- Gratitude was expressed for the work of the task-force but in terms of changes to Band 1, it was noted that there may be a local benefit in retaining the 10am – 4:30pm period and that retaining it would be appreciated by residents.
- In terms of Motor Homes, it was enquired how it would be managed and whether or not consideration had been given to creating specific sites, and whether it would be possible to generate income in doing so. It was stated that there was a number of considerations and there was a need to examine long-term arrangements. It had been highlighted during the summer that a number of vehicles had parked in overnight car parks, which had created many problems. The need to research the field and to come to a conclusion on how to manage it responsibly was noted.
- Gratitude was expressed for the work and the attempt to simplify it by scrutiny members. Concern regarding the increase in Band 2 and 3 and the impact it could have on businesses was stated. In addition, in terms of residents' parking it was noted that there may be a need to re-examine which parts of the county were part of the scheme.
- Concern regarding increasing a season ticket by £15 was highlighted as it would affect residents, and it was enquired whether or not it would be possible to use the income to re-invest in the car parks. It was noted that the department had a budget to invest in the car parks and that some Town and Community Councils had been part of the 10% scheme where they charged 10% more in some car parks and received the percentage to re-invest in their communities.
- It was agreed on an additional late adjustment to the report, reconciling the enforcement hours of Band 1 Car Parks to be operational between

10am and 4:30pm, and to keep the income level under review during 2021/22, with a view to assist the Environment Department should the actual income from parking fees be lower than the target in the budget due to the adjustment.

8. BUY TO LET SCHEME TO LET PROPERTIES FOR GWYNEDD RESIDENTS

The report was submitted by Cllr Craig ab Iago.

DECISION

The business case to invest £15.4m to purchase approximately 100 houses to let to Gwynedd residents at an affordable rent was approved with every purchase to demonstrate its own financial viability on a case-by-case basis.

It was agreed that the Head of Housing and Property Department in consultation with the Head of Legal Services and the Head of Finance Department will review the statutory arrangements for implementing the Scheme following the publication of revised Government Housing Revenue Account Guidance and report further to Cabinet if additional decisions are needed.

DISCUSSION

The report was submitted, noting that Gwynedd was currently in the middle of a housing crisis. It was stated that the Council had been attempting to raise awareness about the problem and had asked both Governments to take action. It was noted that the department was endeavouring to find answers within its ability and to take action. It was highlighted that this scheme was part of the Housing Action Plan and that it was an example of what the department sought to do to assist residents. It was noted that it was a pleasure to submit the scheme as it was a positive and innovative scheme and found ways of housing residents.

The Head of Housing and Property Department added that the scheme was part of the Housing Action Plan. The purpose of the scheme was highlighted, namely to purchase one hundred houses to renovate and let out to residents. It was noted that the investment in the Housing Action Plan was approximately £77m and the combination of funding sources was noted. It was stated that the Cabinet had highlighted its ambition for the scheme by noting its desire for a loan scheme for this scheme in accordance with a robust business plan. It was noted that the report noted the costs and its funding method and showed that it was a viable scheme. It was explained that risks were being highlighted but that a business case for each individual purchase would reduce the risks, and that the individual purchases would not be made if risks were too high.

Observations arising from the discussion

- Gratitude was expressed for the report and pride was highlighted in turning back the clock to see the Council investing once again in housing for Gwynedd residents. It was asked whether or not there was a difference between housing on the open market and former social housing. It was stated that it was difficult to purchase former social housing and, therefore,

there was a need to be operational in getting social housing back within the Council.

- The scheme was welcomed and it was enquired whether or not it would be possible to tailor the scheme for specific families. It was noted that there was a need for rented housing within the county and that a range of housing was required for people who needed support but it would obviously have to be prioritised.
- It was asked whether or not it would be possible to extend and purchase more than 100 houses should the scheme be a success. It was stated that it would be possible to extend the scheme if it worked easily and that they would come back to the Cabinet to note if there was a case to change the number of housing.
- It was emphasised that there was an element of risk to the scheme, but that the Council was currently taking a venturous leap to create an opportunity for Gwynedd residents. If it worked, it was emphasised that it would be possible to borrow more money and to re-visit if it was a success but this would need to be proven over an extended period.

9. GWYNEDD COUNCIL PLAN 2018-23 - REVIEW FOR 2021/22

The report was submitted by Cllr Dyfrig Siencyn

DECISION

The Gwynedd Council Plan for 2018-23, 2021/22 Review was approved subject to amendments to the wording of Priority 4 and Priority 7, and to recommend that the Full Council adopts the Plan at its Full Council meeting on 4 March 2021.

DISCUSSION

The report was submitted noting that the scheme was being submitted noting the work of the Council over the past year. It was noted that sessions had been held with all members who had showed their support to the improvement priorities. It was stated that the sessions with all members had highlighted that the appearance of communities was essentially important for residents this year.

It was emphasised that positive elements had arisen as a result of Covid-19, namely the desire of residents to help each other and to volunteer. Members had noted the need to keep the momentum of helping and volunteering for the future.

Observations arising from the discussion

- It was emphasised that looking after your local area was very important and that the Clean and Tidy Communities scheme was one of the priorities of the Highways and Municipal Department. It was hoped that the scheme would meet the needs of members and work with the communities.
- In terms of priority 4.5, Businesses Receiving Support to Prosper, it was highlighted that there were awful problems, not only as a result of Covid-19, but due to the way the Government dealt with Brexit as well.
- It was noted that sessions with members had been encouraging, with

issues raised being included within schemes such as the Area Regeneration Plan.

- Attention was drawn to the amendments to note in priority 4.4, The transfer of holiday units from Council Tax to Business Rates, in order to add a wording regarding the planning work that was ongoing in the field. Priority 7.4 - Realising Savings, was also to be amended in order to highlight that the savings programme had reviewed the need to achieve the amended order.

10. THE COUNCIL'S CAPITAL STRATEGY

The report was submitted by Cllr Ioan Thomas

DECISION

It was agreed to:

- finance the funding gap for Canolfan Dolfeurig (£600,000)
- finance the funding gap for the former Llanrug school house site (£150,000) and recoup the majority of the initial investment by selling the house and part of the land for affordable housing to local people and to make improvements to the primary school
- that a further £2m is provided to commence work on constructing industrial units in the county
- wait to see what the outcome of the discussions held with Welsh Government regarding Barmouth Promenade will be, before considering any further allocations in the Asset Plan.

DISCUSSION

The report was submitted noting that the Full Council had adopted an Asset Plan for a ten year period back in March 2019. It was highlighted that the plan anticipated the resources the Council would have for the 10 years and prioritised all of the plans proposed by the Departments. It was emphasised that the Plan was live and flexible and that the resources situation had changed somewhat since the plan had been approved.

It was stated that there had been an awareness at the time of preparing the Plan that it would be possible that additional schemes could come forward and it was agreed to reserve £0.5m per year in order to address the requirements for small schemes mainly. It was reiterated that substantial schemes needed consideration for 2021/22. Attention was drawn to Canolfan Dolfeurig in Dolgellau explaining that when the scheme was initially considered, a request had been made for £1.2m, but after undertaking further work, costs were nearer to £1.8m.

The demand for industrial units across the county in recent years was highlighted, and although the North Wales Growth Deal ensured strategic sites, the need for smaller units to meet local demand was noted. On the basis that units would cost approximately £200,000 each (excluding land costs), it was asked for the Cabinet's support to add funding in order to ensure it.

It was originally stated that the Council had anticipated that £1.6m would need to be spent on the restoration of the promenade in Barmouth as a result of damage. Also, as a result of undertaking much more detailed work, it was highlighted that the cost of restoring would likely be between £16m and £22.5m, which meant that the Council would need to find £3.75m as a contribution in order to deliver the work.

At its meeting in October 2017, the Cabinet agreed to purchase a piece of land near Ysgol Gynradd Llanrug, in case it would be required for educational purposes in the future. By now, it was noted that only an element of the land would be required and that it would be possible to re-claim an element of the cost by selling pieces of the land for affordable housing but it was highlighted that a likely gap would need to be funded.

Since the plan had been approved, it was explained that the Council had received various grants that could be used rather than using the Asset Plan resources, and along with a higher than anticipated capital settlement, over £5.5m was available for the Cabinet to consider how they wished to use it.

Observations arising from the discussion

- Support was given to Canolfan Dolfeurig as there was a real need for a new building and it was an excellent asset for the south of the county.
- Support was noted for industrial buildings as specific support was needed for small businesses.
- In terms of Barmouth Promenade and after undertaking further work, it was noted that there was a real need to undertake the work to ensure that the Council kept residents safe, but the additional pressures on coastal councils to fund work of this type were highlighted.

11. 2021-22 BUDGET

The report was submitted by Cllr Ioan Thomas

DECISION

It was agreed to recommend the following to the Full Council on 4 March:

1. Establish a budget of £271,751,360 for 2021/22 to be funded through a Government Grant of £194,793,140 and £76,958,220 of Council Tax income with an increase of 3.7%
2. Establish a capital programme of £47,085,960 in 2021/22, to be funded from the sources noted in Appendix 4 of the report.

It was noted that the figures in recommendation 1 above would change in line with the figures in Appendix 6 of the report should the Full Council increase the Council Tax Premium from 50% to 100%.

DISCUSSION

The report was submitted noting that the Council this year had received a grant increase, which met inflation and was a fairer settlement than those in the years before 2020/21. Nevertheless, as unavoidable increases in the cost of some core services needed to be funded, it was noted that the Tax would have to be increased by 3.7%. It was emphasised that increasing the tax was necessary in order to protect essential services for the people of Gwynedd, as it would be impractical to implement additional savings schemes this year.

Attention was drawn to the fact that most Council members had attended a series of consultation workshops, and a positive discussion had been held at the Audit and Governance Committee. By 2021/22, it was noted that expenditure would need to increase by £10.6m in order to stand still, including £3.6m to meet pressures on the services' budgets. In order to address the financial gap, it was explained that £725k could be harvested in 2021/22 from the savings schemes already planned, but Council Tax would have to be increased by 3.7%.

It was added that the Welsh Government's official figures showed that the Council would receive a grant increase of £6.4m by next year, which was an increase of 3.4%. It was explained that Welsh Government would announce the final grant settlement on 2 March, along with the Welsh Government's final budget. The Cabinet was guided through the revenue expenditure highlighting that the estimated salary inflation was £3.5m. Despite the UK Government Chancellor's desire for a pay freeze, it was noted that there would be a pay increase of £250 pro rata to staff on salaries of £24,000 or less, together with prudent provision for all Council staff. It was also highlighted that there would be a 3.1% salary increase for Gwynedd's school teachers for the period April – August 2021.

It was noted that other inflation was £2.6m, which included provision for the effect of the 'living wage', along with an increase in inflation on fuel and energy budgets and an increase in re-tendering prices. It was emphasised that there were pressures on services and it was recommended to approve applications worth £3.59m that had been submitted by the departments for additional permanent resources. It was noted that total Government support in light of the Covid-19 crisis was expected to be in the region of £20m by the end of 2020/21 and it was anticipated that the Government would continue to compensate for additional costs and loss of income in the next financial year.

Attention was drawn to decisions made by the Cabinet on 26 January 2021 to defer or eliminate unrealisable historic savings, highlighting that a net total of £725k in savings could be used to reduce the 2020/21 budget funding gap.

In order to set up the budget, it was noted that a gap of £77m would need to be met by increasing the Council Tax by 3.7%. It was emphasised that the choice between maintaining services and taxing was a difficult one, but it was noted that the average tax increase of the other local authorities across Wales was likely to be around 4.1%.

Observations arising from the discussion

- It was highlighted that there was an Education bid as a result of new legislation, and that the Government had noted that it would be a neutral cost, but it was highlighted that there were risks as a result of the legislation that needed to be funded.
- It was noted that nobody liked to increase taxes but there was a need for the money to be available to support residents. It was noted that the Finance Department sympathised with residents and referred them for support via benefits or allowed them time to pay.
- The officers were thanked for their work and the members for their input.

12. COUNCIL TAX PREMIUM ON SECOND HOMES AND LONG TERM EMPTY PROPERTIES

The report was submitted by Cllr Ioan Thomas

DECISION

It was resolved to recommend to the Full Council in March that Gwynedd Council:

- Allows no discount on class A second homes, in accordance with Section 12 of the Local Government Finance Act 1992
- Allows no discount and raises a premium of 100% on class B second homes, in accordance with Section 12B of the Local Government Finance Act 1992
- Allows no discount on homes that have been empty for 6 months or more and raises a premium of 100% on homes that have been empty for 12 months or more, in accordance with Section 12A of the Local Government Finance Act 1992.

DISCUSSION

The report was submitted noting that the Full Council in December had resolved to defer a decision on the Council Tax Premium on second homes and long-term empty properties. It was noted that the Council had requested the Cabinet to hold a consultation on the propriety of increasing the level up to 100% in accordance with Section 12, 12B and 12A of the Local Government Finance Act 1992.

According to the 1992 Act, it was noted that any decision on the Premium must be made by the Full Council before the commencement of the relevant financial year and, therefore, it was not possible to delay the decision. The context was highlighted noting the regulations of the Council Tax where 'second homes' had been categorised into two classes (A & B) and that class C referred to empty properties. The numbers within Gwynedd were reported - 811 within class A, 4,718 within Class B, and 1,130 in class C in November 2020.

When giving councils powers to raise a Premium of up to 100%, it was noted that the Government had published statutory guidance to administrate the Premium. It was added that the guidance outlined what needed to be considered by the Council when proposing to introduce the Premium. It was noted that when the

Premium was introduced back in 2016, attention had been given to two studies, a detailed analysis undertaken in 2013 along with the 2013-16 Housing Strategy. It was noted that the Council had now adopted a new Housing Strategy and two key reports, namely Holiday Homes Research Work and the Housing Action Plan.

The consultation responses were outlined, noting that the consultation had been advertised on social media and letters had been sent to every second home and long-term empty property owner informing them of the consultation. 6,227 responses had been received to the questionnaire and approximately 100 separate letters and messages. From the responses, 41% stated that they did not own a second home, 53% noted that they owned a second home.

It was noted that almost 4 in 5 respondents who owned a second home thought that second homes had a positive impact on local communities, while 3 in 5 respondents who did not own a second home thought that they had a negative impact on local communities. A clear difference of opinion was seen with the question of whether it was appropriate to increase the level, with 61% of those stating that they did not own a property that was the subject of the Premium feeling that it was appropriate, while 95.5% of second home owners stated that it was inappropriate.

Attention was drawn to one of the very common arguments from owners who noted that they contributed to the economic benefit of Gwynedd by shopping locally and giving work to local traders. It was highlighted by some respondents that their second homes had been in the possession of their family for a number of years, and that their income was relatively low and that the Council Tax was not as affordable to them as the general belief suggested. It was highlighted that the evidence noted that second home Council Tax bands tended to be higher than those of Gwynedd as a whole.

It was noted that when the original decision had been made to charge a Premium, the risk was identified of an increase in the number of properties transferring to being self-catering holiday units, which were subject to non-domestic rates. A risk was highlighted that increasing the Premium would incentivise more owners to let their properties and transfer them to the non-domestic rating list. It was noted that latest figures showed that a total of 2,106 properties had transferred from the Council Tax list to the Non-domestic Rating list, and that 90% of these received full small business rates relief, which meant that no local taxation was payable.. A high number of respondents noted that their property had been inherited, and that they had no desire to start letting it commercially.

It was highlighted that recent experiences when administering Government Covid-19 business grants, had shown that a number of individuals and companies were 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. It was noted that properties that had transferred to self-catering holiday units since 1 April 2018 were in lower bands, and closer to the common picture of Gwynedd's housing stock. It was emphasised that an average of over 400 properties a year had been lost from the Council Tax bands, which was a

loss of £286,000 of Premium yield per annum.

When looking at long-term empty properties, it was noted that some second home owners had noted that there was a need to focus on increasing the Premium on long-term empty properties, claiming that these were the real causes of social problems. It was highlighted that the number of long-term empty properties was relatively low compared to the number of second homes. In comparison with the second homes, it was explained that long-term empty properties in Gwynedd tended to be in lower Council Tax bands than the Gwynedd housing stock as a whole.

It was noted that the Council, in accordance with the Well-being of Future Generations Act, had adopted well-being objectives and it was emphasised that the Housing Strategy was intertwined with the objectives. It was also highlighted that the Council was confident that Members and officers had taken all reasonable steps to ensure that any actions taken had been made in order to comply with legislative requirements. It was also noted that an Equality Impact Assessment had been prepared and there was a need to address the findings and duties under the Equality Act 2010 when coming to a decision.

Observations arising from the discussion

- It was noted that 11% of the county's housing stock was now second homes and that the situation was worsening as a result of a number of people working from home and, therefore, they did not have to reside in the big cities. It was noted that there was a need to provide the best county to our residents and tourists and, therefore, there was a need to increase the Premium by 100% to ensure housing and support for Gwynedd residents.
- It was noted that the Report on Second Homes in Gwynedd had been submitted to Welsh Government, and the Minister had welcomed the report and would undertake further research, and had also reminded the Council of the ability to charge a Premium on Second Homes.
- It was noted that the report responded to a housing crisis, but it was highlighted that visitors were needed to ensure that the economy was thriving, in order for communities to benefit. Attention was drawn to the observation that second homes benefited the economy, but it was asked what would be the benefit should the dwelling be used on a full-time basis?
- It was noted that the situation was complex and, with long-term empty properties, it was highlighted that every case tended to be unique and it may be an idea to have a conversation with owners to discuss how it would be possible for empty properties to be brought back into use.
- Gratitude was expressed for the work and it was noted that some observations from individuals alleged there was a racist motive, but attention was drawn to the equality report, which highlighted that the Premium was solely determined by the characteristics of properties, and not the characteristics of individuals.
- Gratitude was expressed for the high number of responses and sympathy was expressed to some individuals, but it was emphasised 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.

- It was agreed to allow no discount and to raise a premium of 100% on class B and class C second homes, and to allow no discount on Class A second homes.

The meeting commenced at 1.00 pm and concluded at 5.00 pm

CHAIRMAN