

THE CABINET, TUESDAY, 13 JUNE 2023

Present -

Councillors: Dyfrig Siencyn, Nia Jeffreys, Beca Brown, Berwyn Parry Jones, Craig ab Iago, Elin Walker Jones, Dafydd Meurig, Dilwyn Morgan, Ioan Thomas and Menna Trenholme.

Also present -

Dafydd Gibbard (Chief Executive), Geraint Owen (Corporate Director), Huw Dylan Owen (Corporate Director), Iwan Evans (Head of Legal Services), Dewi Aeron Morgan (Head of Finance Department) and Rhodri Jones (Democracy Services Officer).

- Item 6: Gareth Jones (Assistant Head of Environment Department) and Rebeca Angharad Jones (Planning Manager (Joint Planning Policy)).
- Item 7 Gareth Jones (Assistant Head of Environment Department) and Heledd Jones (Team Leader (Joint Planning Policy Unit - Gwynedd and Anglesey)).
- Item 8 Gareth Jackson (Head of Education Department), Debbie Anne Jones (Assistant Head of Education Department: Corporate Services) and Gwyn Tudur (Assistant Head of Education Department: Secondary).
- Items 9 and 10 Ffion Madog Evans (Assistant Head of Finance Department - Accountancy and Pensions).
- Item 11 Carys Fôn Williams (Head of Housing and Property Department).

1. APOLOGIES

No apologies were received.

The Cabinet Members and Officers were welcomed to the meeting.

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

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

The minutes of the meeting held on 25 April 2023 were accepted as a true record.

6. GOVERNANCE ARRANGEMENT FOR THE NEW LOCAL DEVELOPMENT PLAN AND JOINT PLANNING POLICY MATTERS

The report was submitted by Cllr Dafydd Meurig.

DECISION

To approve the Model of Governance in Appendix 1 for the preparation of the Local Development Plan for inclusion in the Draft Delivery Agreement.

To agree to establish a 15-member Planning Policy Working Group with the Terms of Reference (Appendix 2) to support the preparation of the New Local Development Plan.

To delegate authority to the Head of Environment Department in consultation with the Head of Legal Services to make linguistic adjustments and minor editorial corrections to the Terms of Reference.

DISCUSSION

It was reported on the need to establish a new governance arrangement to prepare a New Local Development Plan and planning policy matters for the Cyngor Gwynedd Planning Authority, following decisions to bring formal joint working arrangements with the Isle of Anglesey County Council to an end.

It was explained that the process of establishing the new Local Development Plan was part of a joint duty between the Cabinet and the Full Council. It was noted that this process was an approximately four-year period of work and there was a need to monitor the Local Development Plan, prepare Supplementary Planning guidance as well as undertake general planning policy work. The importance of all members taking ownership of the developments of this work was noted.

A suggestion was made to establish a Planning Policy Working Group with a membership of 15 Cyngor Gwynedd Members, based on political allocation, to support the process of forming and maintaining the Local Development Plan. It was noted that some of the main functions of the terms of reference would be:

- Provide opinion and guidance on the draft documents of the Planning Policy Service as well as the draft documents of the Supplementary Planning Guidance, before the service makes arrangements to seek public feedback.
- Provide opinion and guidance on the observations received by the public and any stakeholder group or forum during periods of public engagement or other consultations in the processes of the Local Development Plan and Supplementary Planning Guidance.
- Provide opinion and guidance on the Annual Monitoring Report of the Local Development Plan and any document that is prepared as part of the process of reviewing the Local Development Plan.

It was confirmed that the Cabinet, the Full Council and the Communities Scrutiny Committee would have a role within these processes and a timetable of the process was shared. It was confirmed that there was a statutory requirement for this process to be submitted to the Full Council twice within the four-year period. It was elaborated that Service officers had timetabled for the updates to be submitted to the Full Council four times within this period, in order to correspond with key steps and to ensure that Members took ownership of the development process.

It was noted that all Council members would receive awareness raising sessions throughout the process when it would be timely to do so.

It was reported that this governance process would be a reflection of the previous joint-arrangement with the Isle of Anglesey County Council. It was elaborated that a large number of other local authorities used a similar arrangement to what had been recommended in the report.

7. INTRODUCING THE ARTICLE 4 DIRECTION TO ENABLE THE MANAGEMENT OF THE TRANSFER IN USE FROM RESIDENTIAL DWELLINGS TO HOLIDAY USE (SECOND HOMES AND HOLIDAY ACCOMMODATION)

The report was submitted by Cllr Dafydd Meurig.

DECISION

1. To approve the Justification Paper on the Introduction of an Article 4 Direction in Appendix 1.
2. To approve the making of an Article 4 Direction which does not come into effect immediately but after 12 months (Appendix 2) for the Gwynedd Local Planning Authority Area in order to revoke the permitted development rights for the following uses:
 - a. Change of use from C3 (primary residence) to C5 (second home) or C6 (short-term holiday let) and specific mixed uses;
 - b. Change of use from C5 (second homes) to C6 (short-term holiday let) and specific mixed uses;
 - c. Change of use from C6 (short-term holiday let) to C5 (second home) and specific mixed uses.
3. It was agreed that the Article 4 Direction notice as was presented in Appendix 3 be published and served in accordance with the requirements, (accepting that it was not practicable to present individually to each owner and occupier within the area because of its size) for a period of no less than six weeks to allow the public to submit responses to the proposal.
4. It was agreed to receive a further report to consider any responses received (following the engagement period) in order to make the decision to confirm the Article 4 Direction.
5. The right was delegated to the Head of Environment Department in consultation with the Head of Legal Services to make editorial adjustments to the notice prior to publication.

DISCUSSION

It was reported that, historically, it had not been possible to control whether or not a home was converted for use as a second home or self-contained holiday let. It was explained that the Welsh Government had introduced new use classes (C5 - second home and C6 - short-term holiday let), but there was no current requirement for planning permission before changing the use class of a house.

It was explained that introducing an Article 4 Direction would enable the Gwynedd Local Planning Authority to impose a requirement for planning permission before owners could amend the use class of their home. It was emphasised that there was no requirement for planning permission if the owner intended to amend the use class of their home from C5 or C6 back to primary residence (use class C3), unless an original application had previously been submitted to the Authority for C5 or C6 use.

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It was emphasised that the main intention of the Council when introducing an Article 4 Direction was to gain control over changing use classes, not to prevent developments from proceeding.

An overview of the Justification Paper on the Introduction of an Article 4 Direction was provided, which noted the following main points:

- The current situation was analysed detailing how the use of holiday homes had developed over the past four years.
 - It was reported that there had been an increase in the number of holiday lets over this period. It was also noted that there had been a reduction in the number of houses paying the second home premium.
- It was confirmed that 7509 houses (12% of the housing stock) were second homes or holiday lets. It was considered that there was a possibility for this figure to be quite conservative as the Bed Stock Survey completed by the Council in 2019, jointly with information from Visit Wales, had suggested that provision of holiday lets alone was 3700-4500 in peak periods.
- It was noted that a change had been seen in the Bangor area over the past four years. It was explained that there had been a percentage increase of 143% within this period of houses being used as second homes or holiday lets (from 0.97% to 2.38%), suggesting that there had been a change in the provision of second homes and holiday lets in urban areas of the county as well as coastal areas.
- Consideration was given to the impact on the Welsh language, community facilities and house prices in communities with a high number of second homes or holiday lets.
- It was confirmed that approximately 65.5% of the Gwynedd population, on average, had been priced out of the housing market. It was explained that this statistic could change from area to area - such as Abersoch, where 96% of the population had been priced out of the housing market due to a high density of second homes and holiday lets.
- It was concluded that introducing an Article 4 Direction was essential to try to reverse the side-effects of holiday lets and second homes on our communities and to ensure fairness and opportunities for Gwynedd residents.

It was noted that consideration had been given to four potential options to justify the introduction of an Article 4 Direction, namely:

- Option 1: Dwyfor (Government pilot area)
- Option 2: Areas where the current provision of holiday homes is greater than 15% of the housing stock.
- Option 3: Vulnerable Areas (areas under threat)
- Option 4: The whole of Gwynedd (Gwynedd Local Planning Authority Area)

It was confirmed that Option 4 (The whole of Gwynedd - Gwynedd Local Planning Authority Area) had been selected to implement an Article 4 Direction. It was explained that this option had been selected as implementing the Direction was an unprecedented process and it was impossible to fully anticipate the side-effects of its introduction. It was elaborated that it was important to protect the housing stock to ensure that suitable houses were available for Gwynedd residents and introducing an Article 4 Direction in this way would help to ensure that objective.

It was explained that it was intended to issue a notice of the proposal to introduce an Article 4 Direction and it would be possible for the public to voice an opinion on this proposal. It was noted that a specific website had been set up for this matter, where all the

relevant documentation had been uploaded, and it would be possible to visit the website at Siop Gwynedd and Gwynedd Libraries. Furthermore, it was noted that an awareness raising session would be held for all Council members when appropriate.

It was explained that the Article 4 Direction order would come into force on 1 September 2024 to ensure that the Council complied with Governmental requirements and to ensure that the Council was not open to compensation claims.

A concern was shared that Eryri National Park areas were not introducing an Article 4 Direction at present. Despite this, it was assured that officers collaborated closely with the Park but it was acknowledged that the Park's situation was different to Gwynedd as it was located over two different local authorities.

All officers of the Joint Planning Policy Unit were thanked for their innovative work to introduce an Article 4 Direction. It was noted that officers led on this work over the whole of Wales and there was regular communication with other authorities to introduce similar requirements in other counties.

8. RESPONDING TO A WELSH GOVERNMENT CONSULTATION - PROPOSALS FOR A WELSH LANGUAGE EDUCATION BILL

The report was submitted by Cllr Beca Brown.

DECISION

To approve the Council's response to the White Paper consultation – Proposals for A Welsh Language Bill, Welsh Government.

DISCUSSION

It was explained that this Welsh Language Education Bill offered a foundation to provide a Welsh language education for every child in Wales. It was noted that this would increase the number of confident Welsh speakers and normalise the Welsh language in schools.

It was noted that Gwynedd had already managed to normalise the Welsh language by offering Welsh-medium education to all children in the county, and had developed a successful immersion education system to ensure that everyone can assimilate to this Welsh environment.

It was explained that Cyngor Gwynedd's aspiration was often higher than the statutory requirements provided by the Welsh Government and this laid the foundation for other authorities to assimilate to the language.

It was a source of pride that this Bill led other authorities to a direction similar to Gwynedd as offering Welsh language education to everyone would eliminate linguistic inequality problems and lack of opportunities for Welsh speakers.

9. FINAL ACCOUNTS 2022/23 – REVENUE OUT-TURN

The report was submitted by Cllr Ioan Thomas.

DECISION

1.1 To note the final financial position of the Council's departments for 2022/23.

1.2 To approve the amounts to be carried forward (the “Revised Over/(Under) Spend” column of the summary in Appendix 1), namely:

DEPARTMENT	£'000
Adults, Health and Well-being	100
Children and Families	76
Education	(96)
Economy and Community	0
Highways and Municipal	100
Environment	6
Gwynedd Consultancy	0
Housing and Property	0
Corporate Management Team and Legal	(17)
Finance	(10)
Corporate Support	(16)

1.3 To approve the following recommendations and financial virements (as outlined in Appendix 2):

- In the Education Department, that £1,304k of additional electricity inflation and salaries of school assistants and administrative staff costs that is above the budget is funded from the balances of individual schools.
- In the Housing and Property Department, that £2,482k of the Council Tax Premium Fund is used to fund the additional pressure in the Homelessness field.
- Financial assistance of £550k to the Economy and Community Department as the effects of Covid have affected the income levels of Cwmni Byw'n Iach.
- The following departments that are over-spending to receive one-off partial financial assistance to limit the overspend that will be carried forward by the Department to £100k:
 - a. £3,785K - Adults, Health and Well-being
 - b. £2,434k – Highways and Municipal
- On Corporate budgets:
 - a. Use (£2,851k) of the Corporate net underspend to assist the departments that have overspent in 2022/23.
 - b. That (£3,899k) relating to capital costs allocated to a capital programme fund.
 - c. With the remainder of the net underspend of (£952k) on Corporate budgets being transferred to the Transformational Fund to fund the Council's priorities.

1.4 To approve the financial virements from specific funds as outlined in Appendix 3 following a review of the reserves, harvesting (£3,918k) from reserves to be used in its entirety to assist the departments that have overspent in 2022/23.

DISCUSSION

It was explained that the report elaborated on the Council's expenditure in the 2022/23 financial year, as well as the out-turn position of the underspend or overspend.

It was confirmed that 7 departments had an overspend at the end of the 2022/23 financial year. It was elaborated that several factors had contributed to this, including increasing energy prices, failures to realise savings and salary inflation. Details were provided about the most prominent overspend in 5 departments:

- Adults, Health and Well-being Department - it was explained that there was a £3.9 million overspend due to the department's staffing costs and use of agency staff. In addition, there were pressures on supported accommodation and direct payment packages in the Older People's Services. It was confirmed that the department had experienced difficulties to realise savings.
- Education Department - it was explained that there was a £1.2m overspend following inflation on the salaries of assistants and administrative staff, as well as higher electricity prices. Despite this, it was confirmed that the department had been able to use savings from the Covid lockdown periods to assist with the financial pressures.
- Economy and Community Department / Byw'n Iach - It was confirmed that Byw'n Iach had experienced the side-effects of the pandemic throughout the 2022/23 financial year. The Cabinet was reminded that the company received £1.4 million from the Welsh Government in 2021/22 and the Council had extended the financial assurance period to support the company until the end of the 2022/23 year. It was explained that the company needed the Council's assistance to fund £550,000. It was a source of pride that the public had returned to use leisure centres following the pandemic.
- Highways and Municipal Department - It was reported that there was £2.5 million overspend within the department and that waste collection and recycling services contributed towards this figure. It was also emphasised that there had been one-off spending by the department within the relevant financial year and that it had faced difficulties in realising savings.
- Housing and Property Department - It was explained that the department had received £1.5 million from the Council's post-Covid arrangements fund. Despite this, the impact of the Homelessness act had led to substantial financial pressure for the department, causing an overspend of £2.5 million. It was recommended that the Council Tax Premium Fund was used to meet the overspend.

It was ensured that plans had been put in place to address these matters of overspend in future financial plans.

It was recognised that departments faced pressures to provide the best service for Gwynedd residents and staff of the departments were thanked for their work. All staff of the Finance Department were also thanked for their work to collate the figures for the final accounts.

10. CAPITAL PROGRAMME 2022/23 - END OF YEAR REVIEW (31 MARCH 2023 POSITION)

The report was submitted by Cllr Ioan Thomas.

DECISION

1. To accept the report on the end of year review (31 March 2023 position) of the capital programme.
2. To note the £37,131,000 spend on the capital programme during the 2022/23 financial year, which has been included in the statutory financial statements for 2022/23.
3. To approve the revised financing as shown in part 4 of the report, namely:
 - £68,000 increase in the use of grants and contributions
 - £30,000 increase in the use of capital receipts
 - £701,000 increase in the use of revenue contributions
 - £797,000 increase in the use of renewal funds and others

DISCUSSION

It was explained that the main purpose of the report was to present the amended capital programme (31 March 2023 position), and the Cabinet was asked to approve the relevant funding sources. An analysis was shared per Department of the £142.2 million capital programme for the 3 years between 2022/23 - 2024/25.

Details were provided about sources to fund the net increase, which was approximately £1.6 million since the last review.

It was concluded that the Council had managed to spend £37.1 million in 2022/23 on capital schemes, with £17.1 million (46%) of it funded through specific grants. It was noted that the impact of recent financial challenges remained on the capital programme and it was seen that a further £17 million of proposed spending, in addition to the £41 million reported upon in previous reviews, had been re-profiled from 2022/23 to 2023/24.

It was explained that the 2023/24 Capital Programme had been submitted to the Full Council in March as part of the annual Budget. The programme included a number of schemes in the field of Housing, as well as developments in the field of Education such as Bangor Secondary School and Ysgol Treferythyr. In addition to this, capital spending had slipped from 2022/23 to 2023/24 (as outlined in Appendix 3), which included:

- £11.8 million - Housing Strategy and Homelessness Plans
- £9.3 million - Schools Schemes (Sustainable Learning Communities and Others)
- £5.4 million – Vehicle Renewals
- £5.2 million - Grants and Housing Schemes
- £3.5 million - Penygroes Health and Care Hub Scheme

It was explained that the Council had managed to receive additional grants since the last review, which included:

- £2.2 million - 2022/23 School Maintenance Grant
- £0.3 million - Grants from Welsh Government and the National Trust towards the coastal protection scheme in Porthdinllaen

- £0.2 million – Flying Start and Childcare Grants from the Welsh Government.
- £0.2 million - Regional Integration Fund Grant

11. REVIEW OF THE CYNGOR GWYNEDD HOUSING ACTION PLAN

The report was submitted by Cllr Craig ab Iago.

DECISION

1. To approve the financial additions to individual projects within the Housing Action Plan as noted in the table in paragraph 6.4 of the Report.
2. To approve the amendment to the original business case for borrowing in order to buy houses to let to local residents, approved by the Cabinet at its meeting on 16 February 2021, by making use of £5.6m from the Council Tax Premium.

DISCUSSION

It was reported to members that there was currently a homelessness crisis in Wales. Details were provided on a number of figures to outline the situation, which included:

- There were currently 657 homeless people in Gwynedd and over 7,000 children living in poverty.
- 3000 Gwynedd residents were on a waiting list for social housing
- The price of a house, on average, was eight times higher than the usual salary.

It was explained that the Council was aware of this crisis and a video was shared to introduce the five key aspects of the Housing Action Plan, namely:

1. Tackling homelessness
2. Building new houses
3. Purchasing homes
4. Bringing empty homes back into use
5. Ensuring that Gwynedd housing are eco-friendly

It was reported that the original Housing Action Plan was based on the council tax premium percentage of 50%. Members were reminded that the premium had been increased to 100%, which generated approximately £20 million additional funding for housing and homelessness schemes, over the period of the plan.

It was noted that the Housing Action Plan had now existed for two years and so far had been able to complete nearly 600 units through various projects, which would benefit over 4000 Gwynedd residents. It was elaborated that an extra 313 additional units were currently in the pipeline.

It was explained that £34 million funding had been allocated to various projects for the 2023/24 financial year.

It was confirmed that eight houses had been purchased as part of the Buy to Let scheme, with the potential for 32 individuals to benefit from these houses. It was elaborated that a number of other houses were currently in the process of being purchased. It was also stated that 15 applications had been approved as part of the Homebuy Scheme, since it was launched in September 2022.

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It was reported that the Empty Houses scheme had managed to bring 104 houses back into use across Gwynedd and the department had also managed to construct 173 social housing, with 88 new houses currently being constructed. It was elaborated that money had been earmarked to construct another 113 social housing units within this financial year.

It was a source of pride that the department currently helped to support 40 people in the county, by collaborating with the Betsi Cadwaladr University Health Board to establish a provision to support individuals who are at risk of becoming homeless due to mental health issues, to continue living in their homes.

It was explained that the costs of construction, labour and materials had increased significantly since the original Housing Action Plan was established in 2021. It was elaborated that these costs had increased by approximately 30% and it was detailed that interest rates had also increased. It was noted that this increase in prices had created difficulty to purchase houses on the local market and had affected the development of various projects.

Details were provided on the logic behind increasing the contribution of the Council Tax Premium Fund to housing and homelessness schemes, which included:

- Supported housing for the homeless schemes - 45 units were ready in Caernarfon and Pwllheli to reduce dependency on temporary accommodation.
- Purchase of former social housing and renting them to Gwynedd residents and purchase private housing.
- Develop our own housing scheme - to increase the opportunities for Gwynedd residents.

Officers of the department were thanked for their continuous work with the Housing Action Plan.

12. AMENDMENTS TO THE CONSTITUTION OF THE DELEGATION SCHEME: MONITORING OFFICER'S REPORT

The report was submitted by Cllr Menna Trenholme.

DECISION

To approve the amendments to Section 13 (3) of the Constitution Officers' Delegation Scheme shown in Appendix 1.

DISCUSSION

It was reported that the advent of new grant funds such as the Shared Prosperity Fund (SPF) and ARFOR fund had highlighted the need to update the delegated rights to the head of Economy and Community Department to process applications effectively.

It was noted that these new funds had led to the need to process applications of higher amounts, together with an increased turnover of applications to deal with. It was recommended to amend this section of the Constitution and it was explained that the nature of some funds relied on very rapid turnover to process applications and, therefore, these changes were necessary.

The meeting commenced at 1:00pm and concluded at 2:55pm.

CHAIR