

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Dr Gwynne Jones.  
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN  
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<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>
<b>PWYLLGOR GWAITH (CYLLIDEB)</b>	<b>THE EXECUTIVE (BUDGET)</b>
<b>DYDD LLUN 7 TACHWEDD 2016 10.00 o'r gloch</b>	<b>MONDAY 7 NOVEMBER 2016 10.00 am</b>
<b>SIAMBR Y CYNGOR SWYDDFEYDD Y CYNGOR LLANGFNI</b>	<b>COUNCIL CHAMBER COUNCIL OFFICES LLANGFNI</b>
Swyddog Pwyllgor	<b>Ann Holmes</b> 01248 752516 Committee Officer

## **Annibynnol/Independent**

R Dew, K P Hughes, H E Jones and Ieuan Williams (Cadeirydd/Chair)

## **Plaid Lafur/Labour Party**

J A Roberts (Is-Gadeirydd/Vice-Chair) and Alwyn Rowlands

## **Aelod Democratiaid Rhyddfrydol Cymru /Welsh Liberal Democrat (Heb Ymuno / Unaffiliated)**

Aled Morris Jones

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I Aelodau'r Cyngor Sir / To the Members of the County Council

Bydd aelod sydd ddim ar y Pwyllgor Gwaith yn cael gwahoddiad i'r cyfarfod i siarad (ond nid i bleidleisio) os ydy o/hi wedi gofyn am gael rhoddi eitem ar y rhaglen dan Reolau Gweithdrefn y Pwyllgor Gwaith. Efallai bydd y Pwyllgor Gwaith yn ystyried ceisiadau gan aelodau sydd ddim ar y Pwyllgor Gwaith i siarad ar faterion eraill.

A non-Executive member will be invited to the meeting and may speak (but not vote) during the meeting, if he/she has requested the item to be placed on the agenda under the Executive Procedure Rules. Requests by non-Executive members to speak on other matters may be considered at the discretion of The Executive.

*Please note that meetings of the Committee are filmed for live and subsequent broadcast on the Council's website. The Authority is a Data Controller under the Data Protection Act and data collected during this webcast will be retained in accordance with the Authority's published policy.*

## **A G E N D A**

**1      DECLARATION OF INTEREST**

To receive a declaration of interest from any Member or officer in respect of any item of business.

**2      URGENT MATTERS CERTIFIED BY THE CHIEF EXECUTIVE OR HIS APPOINTED OFFICER**

No urgent matters at the time of dispatch of this agenda.

**3      DRAFT REVENUE BUDGET 2017/18 (Pages 1 - 20)**

To submit a report by the Head of Function (Resources)/Section 151 Officer.

**4      DRAFT CAPITAL BUDGET 2017/18 (Pages 21 - 46)**

To submit a report by the Head of Function (Resources)/Section 151 Officer.

**5      BUDGET CONSULTATION PLAN 2017/18 (Pages 47 - 54)**

To submit a report by the Head of Corporate Transformation.

ISLE OF ANGLESEY COUNTY COUNCIL		
<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>	
<b>DATE:</b>	<b>7 NOVEMBER 2016</b>	
<b>SUBJECT:</b>	<b>DRAFT REVENUE BUDGET 2017/18</b>	
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR H E JONES</b>	
<b>HEAD OF SERVICE:</b>	<b>MARC JONES</b>	
<b>REPORT AUTHOR:</b>	<b>MARC JONES</b>	
TEL:	01248 752601	
E-MAIL:	rmjfi@ynysmon.gov.uk	
<b>LOCAL MEMBERS:</b>	<b>n/a</b>	
A - Recommendation/s and reason/s		
<p>The final budget will not be approved by the Full Council until 28 February 2017, however, at this point the Executive is recommended to approve the following:-</p> <ul style="list-style-type: none"> <li>a) To approve the standstill budget for 2017/18 of £128.259m and this should form the basis of the 2017/18 revenue budget;</li> <li>b) To determine whether the grants incorporated into the AEF and the additional funding for new responsibilities is allocated to the appropriate budgets;</li> <li>c) That the Executive should seek to make sufficient savings in 2017/18 to balance the revenue budget without resorting to the use of general reserves;</li> <li>d) That the Executive should seek the opinion of the public on the proposed savings.</li> </ul> <p>The detailed report on the preparation of the 2017/18 standstill budget, the provisional settlement and funding the budget gap is attached as Appendices 1 – 4.</p>		
B - What other options did you consider and why did you reject them and/or opt for this option?		
N/A		
C - Why is this a decision for the Executive?		
This matter is delegated to the Executive.		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
Yes		
DD - Who did you consult?		What did they say?
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	Comments from the SLT have been incorporated into the report
2	<b>Finance / Section 151</b> (mandatory)	n/a– this is the Section 151 Officer's report
3	<b>Legal / Monitoring Officer</b> (mandatory)	TBC
4	<b>Human Resources (HR)</b>	

5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	<p>The proposed Budget Consultation Plan to be actioned during the period commencing on 7th November, 2016 through to 16th December, 2016 was presented to a meeting of the Corporate Scrutiny Committee on 19th October, 2016 for consideration and comment. The Committee and those Members present representing the Partnership and Regeneration Scrutiny Committee considered the proposed Consultation Plan and made the following observations:</p> <ul style="list-style-type: none"> <li>• The Committee recognised the challenge involved in presenting proposals for savings within Council services to the public year on year in a way that does not automatically generate a negative response, and it sought clarification on how it was proposed this would be done this year.</li> <li>• In light of the Welsh Government's announcement the previous day regarding a better than expected local government settlement, the Committee sought clarification whether the message to communities about the outlook for the coming financial year will therefore be different to what it otherwise might have been.</li> <li>• The Committee sought assurance that the budget consultation process will not simply be a tick box exercise and that the Council will have a meaningful dialogue with the public about its budget proposals and will listen to the views expressed and if necessary be prepared to change its approach on the basis of what the public has to say.</li> <li>• The Committee sought clarification whether the Council has any leeway within its budget plans to be able to respond positively to what the public may want as expressed through the consultation process.</li> <li>• The Committee also sought clarification of what changes have been made to the consultation process on the basis of previous experience and whether less effective elements eg certain meetings that were poorly attended have been dispensed with.</li> <li>• The Committee suggested that it might be beneficial once the 2017/18 budget has been set and approved, to conduct a review of the public consultation process to establish what has worked and what has not worked so that changes can be made for the following year.</li> </ul> <p><b>Having obtained assurance and clarification with regard to these matters, the Committee resolved to endorse the Engagement and Communication Plan for the 2017/18 budget proposals as presented.</b></p>

<b>8</b>	<b>Local Members</b>	
<b>9</b>	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
<b>1</b>	<b>Economic</b>	
<b>2</b>	<b>Anti-poverty</b>	
<b>3</b>	<b>Crime and Disorder</b>	
<b>4</b>	<b>Environmental</b>	
<b>5</b>	<b>Equalities</b>	
<b>6</b>	<b>Outcome Agreements</b>	
<b>7</b>	<b>Other</b>	
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix 1 – Report on Draft Revenue Budget 2017/18</li> <li>• Appendix 2 – Analysis of the Movement from the 2016/17 Final Revenue Budget to the 2017/18 Standstill Budget</li> <li>• Appendix 3 - 2017/18 Standstill Budget by Service</li> <li>• Appendix 4 – Potential Revenue Budget Savings for 2017/18</li> </ul>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• Medium Term Financial Plan 2017/18 – 2019/20 – See Executive Meeting Agenda 19 September 2016 – Item 9</li> </ul>		

**DRAFT REVENUE BUDGET 2017/18****1. INTRODUCTION**

- 1.1. The following report sets out the Executive's provisional revenue budget for 2017/18. The budget is prepared based on assumptions set out in the Medium Term Financial Plan approved by the Executive in September 2016, the provisional local government settlement which was issued by the Welsh Government on 19 October 2016 and the proposed revenue savings which have been identified by the individual services and have been discussed at the various workshops that have taken place during the summer.
- 1.2. The provisional budget approved by the Executive will then be subject to a formal public consultation process which will run from 11 November 2016 to 16 December 2016.
- 1.3. Following receipt of the final settlement figures in late December 2016, the final budget proposal will be subject to a review by the Scrutiny Committee in February 2017, will be recommended for approval by the Executive on 13 February 2017, with the final 2017/18 budget being approved by the Council at its meeting on 28 February 2017.

**2. MAIN ASSUMPTIONS ARISING FROM THE MEDIUM TERM FINANCIAL PLAN**

- 2.1. The Medium Term Financial Plan sets out a number of assumptions and these assumptions have been taken into account in calculating the standstill budget for 2017/18. The standstill budget is a budget which provides resources to operate services at 2016/17 levels but updated to reflect any known changes outside the control of the services (committed changes) and to reflect the costs in 2017/18.
- 2.2. The main assumptions used to set the standstill budget are as follows:-

**2.2.1. Pay Inflation**

Both the Teachers pay award and non teaching pay award have been assumed at 1%, this reflects the Government's current policy in respect of public sector pay awards.

**2.2.2. Pension Costs**

The results of the triennial valuation of the Local Government Pension Scheme will not be known until 10 November 2016. The Pension Authority have received an early indication from the Actuary that there will not be a need to increase the employer's pension contribution rate in general, but the situation regarding each individual employer within the fund may differ depending on the individual circumstances of the employer. It should be noted that a 1% increase in the employer contribution rate would increase the cost by approximately £75k.

No increase is expected in the Teacher's Pension employers contribution rate.

### **2.2.3. General Price Inflation**

The Medium Term Financial Plan allowed for a level of general price inflation of 1%. The Consumer Prices Index (CPI), which is now widely recognised as the best measure of inflation, is currently 1.0% (as at September 2016) and is expected to rise gradually during 2017/18. It is, therefore, considered that an inflation rate of 1% is reasonable and this rate has been applied to all general supplies and services budgets. Where specific contracts have specific methods to determine the inflation to be applied, then that specific rate will have been applied to the appropriate budget.

### **2.2.4. Non Statutory Income**

Over the past few years, the policy has been to increase the non-statutory income budgets by an average of 5% in each service. It has been for the service to decide the setting of individual fees and charges within their service. It is difficult to continue with a policy which increases fees and charges at a higher rate than inflation, but it should be noted that non statutory income is a significant source of income for the Council, around £5m per annum, and can be used to reduce the level of budget savings required. In accordance with the MTFP, a 3% increase has been applied to non-statutory income budgets.

## **3. COMMITTED CHANGES**

**3.1.** Committed changes are amendments which are taken into account in drawing up the standstill budget and they reflect an increase or decrease in costs which are outside the control of the Council or the individual service. The changes can include items of one off funding required or falling out of the budget, costs arising from legislative changes, changes in costs arising as a result of a tendering exercise, capital financing costs etc. The total adjustments made to the budget total £4,095k, details of the major changes are discussed in the paragraphs below.

### **3.2. County Council Elections**

The County Council elections will take place in May 2017. No ongoing budget exists to cover the cost of the election and a sum of £150k has been allowed for in the budget. The figure is in line with the budget put in place in 2013 and should be sufficient again to meet the costs.

### **3.3. Apprenticeship Levy**

Following the 2015 Budget and the Chancellor's Autumn Statement, the introduction of an Apprenticeship Levy was included in the Finance Act 2016 which received Royal Assent on 15 September 2016. The levy will be introduced from 6 April 2017 and will require employers whose pay bill exceeds £3m to pay a levy of 0.5% of the total pay bill. Based on the estimated pay bill and after taking into account that each employer receives an allowance of £15k, it is estimated that the introduction of the levy will increase pay costs by £290k.

The levy is payable to the UK Treasury and it is not clear at this stage the sum that will be transferred back to Wales and how public bodies, such as the Council, will be able to access the funds generated by the levy.

### **3.4. Edge of Care Team**

In order to develop a more preventative approach with Children's Services, the Executive have agreed to fund an Edge of Care Team until March 2019. The work of the Edge of Care Team is designed to reduce the numbers of children formally coming into care, which can lead to considerably higher costs for the Council. After March 2019, it is anticipated that the reduction in care costs will exceed the cost of the Team and will allow the Team to continue on a permanent basis, however, progress made by the Team will need to be monitored closely over the next two years in order to ensure that the anticipated savings are achieved. A sum of £240k has been allocated in the budget to meet the cost of the Edge of Care Team.

### **3.5. Job Evaluation Pay Protection**

The 2016/17 budget was prepared during a period of uncertainty in respect of staffing budgets as the job evaluation process was being completed and individual staffing grades were being revised constantly. This made determining an accurate staffing budget very difficult. In order to fund the impact of Job Evaluation, a reserve had been built up over a number of years to meet the cost of implementation. The 2016/17 budget allocated £2.916m from this reserve. However, only £352k of these costs were one off cost relating to pay protection, the remaining £2.564m becomes a permanent budget pressure which now has to be funded from the core funding. In addition, where staff were regraded upwards, they would have been placed on the bottom of the new scale as of 1 April 2015 and then receive an increment in April 2016 and April 2017. The cost of the April 2016 increment was funded from the Job Evaluation reserve in 2016/17 but must be funded from core funding in 2017/18 and is included in the £2.564m noted above.

### **3.6. National Non Domestic Rates**

All non-domestic properties in Wales have been revalued with the new valuations coming into effect on the 1 April 2017. For Council properties, the revaluation will increase the rates payable by £87k although it should be noted that these are provisional valuations and can be appealed by the Council.

### **3.7. Capital Financing**

As the Council incurs capital expenditure, the required Minimum Revenue Provision (MRP) increases along with the additional interest costs on the additional borrowing drawn down to fund the capital programme. In each year's settlement, the cost of an element of borrowing is provided for through extra funding (supported borrowing). The additional MRP and interest costs for 2017/18 are estimated at £374k, taking the capital financing budget to £8.83m.

The Council also earns interest by investing surplus cash in accordance with its Treasury Management Policy. Since the 2016/17 budget was set, the result of the EU referendum has been decided and the initial impact of the vote to leave the EU has resulted in the bank base rate falling to its lowest level for decades. As a result, current investment returns are minimal and there is little prospect of an increase in rates in 2017/18. In 2016/17, the Interest Earned budget was set at £150k and this was based on a bank base rate of 1% and the prospect of it rising during 2016/17. The revised budget has been set at £15k, which is a loss in budgeted income of £135k.



As part of the Welsh Government's Invest to Save project, the Council borrowed funding to undertake energy efficiency work at the main Council Offices and at one Leisure Centre. The sum borrowed is repaid over a period of 5 years, funded from the savings made in energy budgets. A sum of £44k is due to be paid in 2017/18 and this has been transferred from the appropriate energy budgets and transferred into the capital financing budget, i.e. it has no net impact on the overall revenue budget.

### **3.8. Local Development Plan**

A sum of £259k was included in previous budgets to fund the cost of preparing the Local Development Plan. As the majority of the work is now complete, this sum has been taken out of the 2017/18 budget.

### **3.9. Pupil Numbers**

The Medium Term Financial Plan estimated an increase of 85 pupils between September 2015 and September 2016. This gave an estimated increase of £183k in the budget. This assumption underestimated the increase in pupil numbers and the increase in pupil numbers has been revised to an additional 144 pupils, which has resulted in an additional budget requirement of £366k.

### **3.10. Council Tax Reduction Scheme**

Up until 2013/14, taxpayers eligible to receive a reduction in their Council Tax bills through the benefits system in the form of Council Tax Benefit which was funded by the Department of Work and Pensions. In 2013/14, Council Tax benefit was replaced by the Council Tax Reduction Scheme, with the funding for the scheme being transferred into the Revenue Support Grant. Initially, the scheme was fully funded but, as the level of Council Tax has risen and the number of claimants changed since 2013/14, it has been necessary for the Council to provide additional funding to meet the cost of the scheme (in addition to the sum provided in the Revenue Support Grant).

For 2017/18, the budget requirement has been reassessed taking into account the current level of expenditure and an increase in the Council Tax for 2017/18. This has resulted in a reduction of the budget of £290k to bring the overall budget to £5.52m.

### **3.11. North Wales Fire & Rescue Service Levy**

The Fire Service raise a levy each year which is allocated across the six North Wales Authorities based on population numbers. The overall levy has remained unchanged since 2012/13. The Fire Service estimate that the costs of running the service will increase by £2.3m over the next three years and they aim to bridge the gap by increasing the levy by £1.4m and by implementing efficiency savings to the value of £0.9m. The change to the levy equates to a 4% increase which the Fire Service plans to implement in 2017/18 with the efficiency savings not made until 2019/20. A 4% increase for Anglesey is £128k, although the final figure may vary depending on the change in population.

### 3.12. Others

A number of other budgets have been adjusted to reflect changes that have taken place during the year which are outside the control of the service, these include income budgets where the Service can no longer charge the income. Adjustments are also made to reflect the full year effect of savings implemented part way during 2016/17 e.g. cleaning contract. The total effect of all these changes totals an increase in the net budget of £310k.

## 4. CONTINGENCIES

- 4.1. As part of the budgeting process, a number of contingency budgets are built into the budget to cover fixed term costs, potential risks that may require funding during the year or as a general contingency which is utilised during the year as additional budget pressures arise or as unexpected events occur. The changes made to the contingency budgets are shown in Table 1 below:-

Table 1 Movement in Contingency Budgets between 2016/17 and 2017/18					
		End Date	2016/17 Budget £'000	Proposed 2017/18 Budget £'000	Change £'000
Improvement	Citrix	-	200	0	-200
Improvement	Northgate HR / Payroll	-	200	0	-200
Cost of Change	Workforce Development	-	44	0	-44
Cost of Change	Procurement	2017/18	48	48	0
Cost of Change	ICT Support	2017/18	44	44	0
Earmarked	Respite Home Care Income	-	200	0	-200
Earmarked	Haulfre Residential Home	2017/18	95	95	0
Earmarked	Nursing Domiciliary Care Costs	2017/18	330	330	0
Salary & Grading	Voluntary Redundancy Costs	2019/20	500	300	-200
	NNDR Discretionary Rate Relief	Ongoing	60	60	0
	General Contingency	Ongoing	318	350	32
<b>TOTAL</b>			<b>2,039</b>	<b>1,227</b>	<b>-812</b>

## 5. INFLATION AND OTHER ADJUSTMENTS

- 5.1. The standstill budget is the budget required to provide the same level of service as in 2016/17, after adjusting for any known changes (as set out in paragraph 3 and 4 above) and after adjusting for pay and price inflation. The final adjustments in order to determine the standstill budget for 2017/18 are set out below.

## **5.2. Staff Increments**

Staffing budgets are based on the actual pay point that a member of staff will be paid on in 2017/18. Normally, the cost of increments is small as the majority of staff have reached the top of their scale. However, the implementation of single status resulted in a number of staff being regraded to a higher grade and they would have been placed on the bottom of the new grade backdated to April 2015. The new pay scales are generally made up of 3 pay points. Staff received an increment in April 2016 (see para 3.5 above) and will receive a further increment in April 2017. The total estimated cost of increments for 2017/18 is £1.29m. In future years, the cost of increments will be significantly lower as staff will now have reached the top of the scale.

## **5.3. Staff Turnover Adjustment**

For a number of years, staff budgets have been calculated at the full cost of each post in the structure. This ensures that sufficient budget is available to meet all staffing costs in the year but, in practice, staff leave during the year and posts remain unfilled for a number of weeks and, as a result, staffing budgets are underspent. In order to reduce this underspend, staffing budgets for 2017/18 have included a turnover adjustment of 1.5%, i.e. the staff budget only covers 98.5% of the full cost. This has resulted in a reduction of staffing budgets of £0.698m.

## **5.4. Other Staffing Adjustments**

The 2016/17 budgets were drawn up at a time when the Job Evaluation process was not fully completed and assumptions had to be made in respect of the pay grades of a number of staff. The 2017/18 pay budgets have been set using the finalised pay grades and this has resulted in pay budgets being reduced by £0.317m.

## **5.5. Inflation**

In accordance with the assumptions in the Medium Term Financial Plan, a general level of inflation of 1% has been allowed for both pay and general prices, unless a different inflation rate is defined in any contract which the Council has entered into. All non-statutory income budgets have increased by 3%. The net cost of the inflation applied amounts to £1.064m.

# **6. BUDGET RISKS**

## **6.1. Inflation**

The general level of inflation (CPI) has been below 1% since 2014 and, prior to the result of the EU referendum, it was forecast to stay at this low level during 2017. However, as the value of sterling has weakened the costs of some commodities (food, fuel) have increased and this has increased inflation to 1% in September 2014 and there is a risk that inflation could rise to between 2% and 3% in 2017/18. An additional 1% increase in pay costs equates to an increase in costs of £800k and an increase of 1% in general prices is equivalent to an additional £400k in costs.

## **6.2. Pension Contributions**

The results of the triennial valuation of the Local Government Pension Scheme are due to be released in mid November 2016. It has been assumed that there will be no increase in the employer's contribution rate, although this may not be the case once the valuation process is completed. An additional increase of 1% in the contribution rate would increase costs by a further £70k.

## **6.3. Specific Revenue Grants**

In 2016/17, the Council received £10.5m in specific revenue grants which are utilised to provide specific services. To date no indication has been received as to the level of funding that will be received in the form of specific grant funding in 2017/18 and, as a result, no reductions have been factored into the standstill budget. Any reduction in these grants will result in a direct cut in the services they fund or will require the Council to subsidise the loss of grant from the core budget.

## **6.4. Council Tax Reduction Scheme**

The budget for the Council Tax Reduction Scheme is based on the current caseload and the prediction for the change in caseload over 2017/18. After the results of the EU referendum and the uncertainty it has created, it is difficult to predict what will happen to the UK economy. A significant worsening of the economy and an increase in unemployment will naturally lead to an increase in the caseload and increased costs.

## **7. STANDSTILL BUDGET 2017/18**

**7.1.** Based on all of the adjustments and assumptions detailed above, the standstill budget for 2017/18 totals £128.259m, an increase of £4.222m on the 2016/17 final budget. A summary of the changes made in comparison with the Medium Term Financial Plan is attached as Appendix 2. A breakdown of the standstill budget by Service is attached as Appendix 3.

**7.2.** In drawing up the standstill budget, it has been possible to increase the budgets for the major services, Schools, Adult Services and Childrens Services, however, Schools and Adult Services are expected to put forward budget savings in order to bridge the funding gap in 2017/18.

## **8. PROVISIONAL SETTLEMENT**

**8.1.** The provisional settlement for Local Government in Wales, announced on 19 October 2016, shows an increase of £3.78m in the overall level of funding for Wales, which is equivalent to a 0.1% increase. The details are shown in Table 2 below:-

## 8.2.

<b>Table 2 2017/18 Provisional Settlement</b>		
	<b>Anglesey</b>	<b>Wales</b>
	<b>£'m</b>	<b>£'m</b>
<b>2016/17 AEF</b>	<b>91.928</b>	<b>4,101.551</b>
<b>Previous Years Grants Transferred In / (Out)</b>		
Delivering Transformation Grant	0.063	2.830
Deprivation of Living Standards	0.005	0.184
Blue Badge	0.000	0.010
Food Hygiene Rating Scheme	0.002	0.057
Education Workforce Council Teachers Reg Fees	(0.023)	(1.000)
<b>2016/17 Adjusted AEF</b>	<b>91.975</b>	<b>4,103.632</b>
<b>New Responsibilities</b>		
Increasing Capital Limits for Residential Care	0.111	4.400
War Disablement Pension Disregard	0.007	0.300
Top Up Funding – Settlement Floor	0.000	2.286
Funding Adjustment for 2017/18	0.196	(3.198)
<b>Provisional AEF 2017/18</b>	<b>92.289</b>	<b>4,107.420</b>

8.3. The written statement made by the Cabinet Secretary for Finance and Local Government stated that the settlement includes an additional £54m and the Standard Spending Assessment across Wales has risen by this amount, however, the settlement also shows that the Welsh Government's assessment of the increase in Council Tax amounts to £48m (3.5% increase) which gives a net increase in the cash received by local government of £6m.

8.4. Any increase in the level of cash received in the settlement is welcomed and is an improvement on the previous predictions that the settlement would lead to a reduction in funding of between 0.6% and 2%. However, the increase of £314k is only just sufficient to meet the costs of the apprenticeship levy and does not meet the cost of pay and price inflation, increasing pupil numbers, increasing demand within Children and Adult Services, an increased Fire Services levy and an increase in capital financing costs.

8.4. No adjustment has been made in the standstill budget for the grants transferred into the settlement nor the additional funding relating to the new responsibilities. The grants which are brought into the settlement are:-

Delivering Transformation Grant	£63k
Deprivation of Liberty Standards	£ 5k
Food Hygiene Rating Scheme	£ 1k

The Delivering Transformation Grant has been used on a regional basis (Denbighshire being the lead authority). The service is requesting that the grant is included in the Council's base budgets and is then transferred to Denbighshire to enable the existing arrangements to continue.

The delegated schools budget currently includes a sum in respect of the Education Workforce Council Registration Fees. £23k has been taken out of the settlement as a result of a change in the arrangements relating to registration.

The settlement includes £110k to mitigate the impact on the Council's income in increasing the capital limit used to calculate residential care charges from £24k to £30k. An additional £7k has been included into the settlement to compensate for any loss of income resulting from the introduction of a full disregard of the War Disablement pension in financial assessments for charging for social care.

- 8.5** The provisional settlement also gives some details on specific grants on an all Wales level. There is a 6.7% reduction in the Single Environment Revenue Grant, which, if it is applied to Anglesey's allocation, would equate to a reduction of £110k in the grant. The Education Improvement Grant and School Uniform Grant is combined into an Education Standards Grant and this is reduced by 0.7% (would equate to a reduction of £25k for Anglesey). No information has been provided on the individual allocations of these grants to Anglesey.

## 9. THE FUNDING GAP

- 9.1.** Assuming an increase in Council Tax of 3%, the funding gap for 2017/18 is shown in Table 3 below:-

<b>Table 3 Budget Funding Gap 2017/18</b>		
	<b>£'m</b>	<b>£'m 128.259</b>
<b>Standstill Budget</b>		
<b>Funded By:</b>		
Revenue Support Grant (RSG)	69.286	
Share of Non Domestic Rates Pool	23.002	
Council Tax <sup>note 1</sup>	33.073	
<b>Total Funding</b>		<b>125.361</b>
<b>Funding Shortfall</b>		<b>2.898</b>
<small>Note 1 - Assumes an increase of 3% in Council Tax</small>		

- 9.2.** The impact of various levels of Council Tax increase and on the Band D equivalent charge (currently £1,061.46 in 2016/17) is shown in Table 4 below:-

9.3.

<b>Table 4 Impact of Various Council Tax Increases on the Funding Shortfall</b>				
<b>% Increase</b>	<b>Council Tax £'m</b>	<b>Funding Shortfall £'m</b>	<b>Weekly Effect on Band D £</b>	<b>Total Increase £</b>
1.0	32.431	3.540	0.20	10.62
1.5	32.591	3.380	0.31	15.93
2.0	32.751	3.220	0.41	21.24
2.5	32.912	3.059	0.51	26.55
3.0	33.073	2.898	0.61	31.86
3.5	33.233	2.738	0.71	37.17
4.0	33.394	2.577	0.82	42.48
4.5	33.554	2.417	0.92	47.79
5.0	33.715	2.256	1.02	53.10

- 9.4. The initial budget work estimated that the funding gap would be £4m in 2017/18 and services were, therefore, asked to identify budget savings of 4% which would generate the £4m savings required. A number of budget workshops were held over the summer and Heads of Service identified potential savings of £2.9m, the details of which are attached as Appendix 4. The savings proposals will be subject to a public consultation process between 11 November 2016 and 16 December 2016.

**10. MATTERS FOR DECISION**

- 10.1. The final budget will not be approved by the Full Council until 28 February 2017, however, at this point, the Executive is recommended to approve the following:-
- (a) To approve the standstill budget for 2017/18 of £128.259m and this should form the basis of the 2017/18 revenue budget;
  - (b) To determine whether the grants incorporated into the AEF and the additional funding for new responsibilities is allocated to the appropriate budgets;
  - (c) That the Executive should seek to make sufficient savings in 2017/18 to balance the revenue budget without resorting to the use of general reserves;
  - (ch) That the Executive should seek the opinion of the public on the proposed savings.

## ANALYSIS OF THE MOVEMENT FROM THE 2016/17 FINAL BUDGET TO THE 2017/18 STANDSTILL BUDGET

	Medium Term Financial Plan		Standstill Budget		Report Ref
	£'m	£'m	£'m	£'m	
<b>2016/17 Budget</b>		<b>124.037</b>		<b>124.037</b>	
Funded from Reserves		2.916		2.916	
<b>Revised Ongoing Budget 2016/17</b>		<b>126.953</b>		<b>126.953</b>	
<b>Contingencies Adjustments</b>					
ICT Citrix	- 0.200		- 0.200		
Northgate HR	- 0.200		- 0.200		
Workforce Development	- 0.044		- 0.044		
Salary & Grading	- 0.200		- 0.200		
Nursing Domicillary Care	- 0.200		- 0.200		
General Contingency	0.010		0.032		
		- 0.834		- 0.812	Para 4.1
<b>One Off Costs</b>					
County Council Elections		0.150		0.150	Para 3.2
<b>New Ongoing Commitments</b>					
Edge of Care Team	0.240		0.240		Para 3.4
Apprenticeship Levy	0.275		0.290		Para 3.3
		0.515		0.530	
<b>Committed Changes</b>					
Fire Service Levy	0.128		0.128		Para 3.11
Pupil Numbers	0.183		0.366		Para 3.9
Council Tax Reduction Scheme	0.174		- 0.290		Para 3.10
Capital Financing Costs	0.498		0.509		Para 3.7
NNDR Revaluation	-		0.087		Para 3.6
Local Development Plan	-		- 0.259		Para 3.8
Other Committed Changes	-		- 0.310		Para 3.12
		0.983		0.851	
<b>Staffing Budget Changes</b>					
Pay Protection Ending	- 0.400		- 0.352		Para 3.5
Increments	0.960		1.290		Para 5.2
Staff Turnover Adjustment	- 0.635		- 0.698		Para 5.3
Other Staffing Budget Adjustments	- 0.250		- 0.317		Para 5.4
		- 0.325		- 0.077	
Smarter Working / Voluntary Redundancies		- 0.400		- 0.400	
Inflation		0.733		1.064	Para 5.6
<b>Standstill Budget</b>		<b>127.775</b>		<b>128.259</b>	



STANDSTILL BUDGET 2017/18 BY SERVICE				
Budget	2016/17 Budget	2017/18 Standstill Budget	Movement	% Change
	£'m	£'m	£'m	%
<b>Lifelong Learning</b>				
Schools	38.421	38.721	+ 0.300	+ 0.8%
Central Education <sup>1</sup>	8.953	8.933	- 0.020	- 0.2%
Culture	1.429	1.432	+ 0.003	+ 0.2%
<b>Total Lifelong Learning</b>	<b>48.803</b>	<b>49.086</b>	<b>+ 0.283</b>	<b>+ 0.6%</b>
<b>Highways, Waste &amp; Property</b>				
Highways	6.618	6.519	- 0.099	- 1.5%
Waste	6.296	6.335	+ 0.039	+ 0.6%
Property	1.230	1.248	+ 0.018	+ 1.5%
<b>Total Highways, Waste &amp; Property</b>	<b>14.144</b>	<b>14.102</b>	<b>- 0.042</b>	<b>+ 0.3%</b>
<b>Regulation &amp; Economic Development</b>				
Economic Development & Maritime	1.058	1.067	+ 0.009	+ 0.9%
Planning & Public Protection	2.555	2.279	- 0.276	- 10.8%
Leisure	0.944	0.842	- 0.102	- 10.8%
<b>Total Reg &amp; Economic Development</b>	<b>4.557</b>	<b>4.188</b>	<b>- 0.369</b>	<b>- 8.1%</b>
<b>Adult Services</b>	<b>22.343</b>	<b>22.759</b>	<b>+ 0.416</b>	<b>+1.9%</b>
<b>Children Services <sup>2</sup></b>	<b>7.443</b>	<b>7.852</b>	<b>+ 0.409</b>	<b>+ 5.5%</b>
<b>Corporate Transformation</b>				
Human Resources <sup>1</sup>	1.205	1.243	+0.038	+ 3.2%
ICT	1.618	1.690	+0.072	+ 4.4%
Transformation	0.821	0.890	+0.069	+ 8.4%
<b>Total Corporate Transformation</b>	<b>3.644</b>	<b>3.823</b>	<b>+ 0.179</b>	<b>+ 4.9%</b>
<b>Housing</b>	<b>0.869</b>	<b>0.863</b>	<b>- 0.006</b>	<b>- 0.7%</b>
<b>Resources</b>	<b>2.901</b>	<b>2.863</b>	<b>- 0.038</b>	<b>- 1.3%</b>
<b>Council Business <sup>3</sup></b>	<b>1.512</b>	<b>1.675</b>	<b>+ 0.163</b>	<b>+ 10.8%</b>
<b>Total Service Budgets</b>	<b>106.216</b>	<b>107.211</b>	<b>+0.995</b>	<b>+0.9%</b>
<b>Corporate Budgets</b>				
Corporate Management	0.722	0.761	+ 0.039	+ 5.4%
Levies	3.194	3.323	+ 0.129	+ 4.0%
Corporate & Democratic	1.913	1.915	+ 0.002	+ 0.1%
Capital Financing Costs	8.302	8.854	+ 0.552	+ 6.6%
HRA Recharges	- 0.622	- 0.622	0	0.0%
Council Tax Reduction Scheme	5.890	5.600	- 0.290	- 4.9%
Contingencies	1.979	1.457	- 0.522	- 26.38%
Discretionary Rate Relief	0.060	0.060	0	0.0%
Corporate Savings	-0.700	- 0.300	+0.400	57.1%
<b>Total Corporate Budgets</b>	<b>20.738</b>	<b>21.048</b>	<b>+ 0.31</b>	<b>+ 1.8%</b>
<b>TOTAL BUDGET <sup>4</sup></b>	<b>126.954</b>	<b>128.259</b>	<b>+ 1.305</b>	<b>+1.1%</b>

**Note 1** – The 2016/17 budget has been restated to reflect the transfer of Human Resources staff from the Education Service to the Central Human Resources team.

**Note 2** – The 2017/18 Standstill Budget includes a sum of £240k as funding for the Edge of Care Team. This funding will be withdrawn from the budget in 2019/20

**Note 3** – The 2017/18 Standstill Budget includes a sum of £150k as funding for the County Council elections. This sum will be withdrawn from the budget in 2018/19

**Note 4** – The total standstill budget includes a sum of £2.916m which was funded from reserves in 2015/16

**ATODIAD 4 / APPENDIX 4**

<b>GWEITHRED / ACTION</b>	<b>Arbedion Tebygol / Probable Savings £'000</b>	<b>Isafswm Arbedion Posib / Minimum Potential Savings £'000</b>	<b>Uchafswm Arbedion Posib / Maximum Potential Savings £'000</b>
Lleihau y costau Cytundeb Glanhau 50% / Reduce the cleaning contract costs by 50%	230	-	230
Arbedion trwy wneud defnydd gwell o gontractau corfforaethol (pwrcasu) e.e. ynni, papur, defnydd swyddfa, dodrefn / Savings from making better use of corporate contracts (procurement) e.g. energy, paper, office supplies, furniture	170	170	170
Lleihau lefel o Salwch - Lleihau Costau athrawon llanw (tori premiwm 10%) / Reduce sickness level - reduce cost of supply teachers (cut the premium 10%)	100	50	100
Trawsnewid Gwasanaeth Ieuenctid / Youth Service Transformation	90	42	217
Cynyddu y prisiau at lefel awdurdodau eraill sef o £2.10 y diwrnod i £2.50 / Increase the price to the same level as other Authorities i.e. from £2.10 per day to £2.50	60	30	120
Codi pris trafndiaeth llai na 2 neu 3 milltir i adennill y gost yn llawn sef o £80 y flwyddyn i £465 / Increase the cost of transport for pupils who live within 2 or 3 miles to fully recover the cost i.e. from £80 per annum to £465	50	13	50
Cludo disgyblion ôl 16 yn ol i'r Ysgol parhaol o'i lleoliad olaf y dydd, yn hytrach nag adref / Transport Post 16 pupils back to their permanent School, rather than to their home	48	-	48
Lleihau ein cyfraniadau i'r mudiadau blynyddoedd cynnar / Reduce our contribution towards early years organisations	35	35	35
Lleihau cyfraniad at gostau rheoli cwmni Cynnal / Reduce contribution towards the management costs of Cynnal	30	30	30
Tori Cyfraniad tuag at y CBAC / Reduce contribution towards WJEC	20	20	20
Lleihau costau tuag at wasanaeth cerdd William Mathias / Reduce costs towards William Mathias music service	7	7	7
Adolygu'r posibilrwydd ar gyfer lleihad mewn cyllidebau ysgolion naill ai drwy ostyngiad mewn costau cynorthwywyr addysgu neu drwy arbedion eraill i'r gyllideb ddirprwyedig ysgolion / To review the potential for a reduction in school budgets either through a reduction in teaching assistant costs or through other savings to the delegated schools budget	490	400	600

GWEITHRED / ACTION	Arbedion Tebygol / Probable Savings £'000	Isafswm Arbedion Posib / Minimum Potential Savings £'000	Uchafswm Arbedion Posib / Maximum Potential Savings £'000
Yn dilyn ail stwythuro / Following restructure	50	50	50
Yn dilyn ail stwythuro / Following restructure	50	50	50
Stopio creu a postio slip cyflog papur. Staff yn cael mynediad i system electronig (Amdanafi)/ Stop creating and printing paper payslips. Staff to have access to electronic system (My View)	21	21	21
Lleihau cyllideb papur trwy ddefnyddio papurau Pwyllgor electronig : Reduce the paper budget as a result of using electronic Committee papers	15	15	15
Dileu gyllideb sydd heb i ddefnyddio /Delete an unused budget	3	3	3
Lleihau y gyllideb / Reduce the budget	30	30	30
Adolygu y strwythyr staffio ar draws y pump swyddogaeth / Review the staffing structure across the five functions.	24	12	24
Adolygu y sefyllfa staffio / Review Staffing position	22	11	22
Codi lefel y gyllideb i gyd-fynd gyda'r gwir incwm / Raise the level of the budget to match the actual income	20	20	20
Lleihau Costau / Reduce Costs	10	-	10
Trosglwyddo Melin Llynon / Transfer Melin Llynon	40	-	40
Dod a'r cytundeb i ben / Terminate the agreement	13	-	13
Trosglwyddo y Llys a'r Cwrt / Transfer Beaumaris Gaol & Courthouse	6	-	6
Trawsnewid y Gwasanaeth Llyfrgelloedd / Library Service Transformation	30	30	45
Cynyddu y targed incwm / Increase Income Targets	35	35	35
Dileu y Gyllideb yn dilyn trosglwyddiad yr ased o'r Cyngor yn 2016 / Removal of Budget following the transfer of the asset from the Council in 2016	28	28	28
Lleihau oriau Glanhau yn y 3 canolfan / Reduce Cleaning hours at the 3 Centres.	10	10	10
Adolygu y sefyllfa staffio / Review the staffing position	6	6	6
Allanoli y Caffi yn Amlwch / Outsource the Café at Amlwch	5	-	5
Lleihau y Gyllideb / Reduce the Budget	2	2	2
Rhesymoli gwasanaethau dydd - Anableddau Dysgu/ Rationalisation of Day Services - Learning Disability	15	10	20

<b>GWEITHRED / ACTION</b>	<b>Arbedion Tebygol / Probable Savings £'000</b>	<b>Isafswm Arbedion Posib / Minimum Potential Savings £'000</b>	<b>Uchafswm Arbedion Posib / Maximum Potential Savings £'000</b>
Harmoneiddio ffioedd Telecare/ Harmonisation of Telecare fees	10	-	10
Datblygu gwasanaethau arbenigol yn Garreglwyd - arbedion o leoliadau allsirol/ Develop specialist services in Garreglwyd - savings from out-of-county placements	20	20	40
Adolygu trefniadau trafndiaeth gofal dydd/Review Day care transportation arrangements	15	10	20
Cynnydd mewn ffioedd Gofal cartref mewnol/ Increase in internal Home care fees	100	30	125
Prosiect Gofalwr Sengl/ Single Carer Project	75	35	75
Taliadau Uniongyrchol/ Direct Payments	50	25	50
Arbedion o fewn yr Uned Ddarparu/ Efficiency savings within the Provider Unit	50	25	50
Tynnu cyllideb sydd yn weddill ar gyfer y gwasanaeth Wardeiniad/ Remove remaining budget for Warden service	36	36	36
Adolygu contractau gwasanaethau dydd I glientau gyda anabledau dysgu/ Review of day services' contracts for clients with learning disabilities	21	10	21
Model gofal - Penucheldre/ Care model - Penucheldre	2	2	2
Lleihau lleoliadau preswyl/ Reduce residential places	150	63	250
Pecynnau cymorth canlyniadau gyda ffocws penodol - byw gyda chefnogaeth/ Outcome focused support packages - supported living			
Asesu opsiynau a'i gwireddu i unai allanoli neu rhesymoli / Assess options and implement to either outsource or rationalise	30	30	50
Increase Income Budget and reduce Repairs and Maintenance Budget	150	150	150
Allanoli Cyfleusterau Cyhoeddus a Lleihau costau rhedeg y rhai sy'n cael i gadw / Outsourcing Public Conveniences and reduce the running costs of those that are kept	50	30	75
Adolygu trefniadau staffio / Review staffing arrangements	64	32	64
Lleihau'r gyllideb refeniw trwy defnyddio y gyllideb cyfalaf i sicrhau fod cyfanswm y gwariant yn cyrraedd yr isafswm sy angen/ Reduce the revenue budget by using the capital budget to ensure that the total expenditure reaches the minimum value required	50	50	50
Adolygu trefniadau staffio : Review staffing arrangements	50	25	50
Apwyntio swyddog i wneud gwaith cynnal a chadw cyffredinol yn hytrach na apwyntio contractwyr allanol / Appoint officer for general Repairs and Maintenance work, rather than to appoint an external contractor.	5	5	5
Lleihau y gyllideb 10% : Reduce the budget 10%	12	12	12

<b>GWEITHRED / ACTION</b>	<b>Arbedion Tebygol / Probable Savings £'000</b>	<b>Isafswm Arbedion Posib / Minimum Potential Savings £'000</b>	<b>Uchafswm Arbedion Posib / Maximum Potential Savings £'000</b>
Adolygu trefniadau glanhau y Pencadlus / Review Headquarters Cleaning arrangements	7	7	7
Lleihau cyllideb cyfleustodau / Reduction in Utilites budget	6	6	6
Arbedion cyffredinol ar y cytundeb Gwastraff / General saving on Waste Contract	6	6	6
Adolygu Patrôl Croesi ger Ysgolion / Review School Crossing Patrol	5	5	5
Lleihau Cyllideb Hawliau Tramwy Cyhoeddus / Reduce Public Rights of Way budget	5	5	5
Adolygu trefniadau gorfodi parcio / Review Parking Enforcement arrangements	5	-	5
Incwm drwy ymgymryd a gwaith Tystysgrifau Perfformiad Ynni / Income from undertaking Energy Performance Certificate work	19	19	19
Ffi am waith y Swyddog Tai Gwag / Fee for work undertaken by the Empty Homes Officer	11	11	11
Incwm o arolygu cyn eiddo cyngor/ Income from assessing the repurchase of former council houses	7	7	7
Codi'r ffi gweinyddu Rhestr Aros Tai i Gymdeithasau Tai a'r Cyfrif Refeniw Tai / Increased fee for the Housing Register work to Housing Associations and the Housing Revenue Account	5	5	5
Dileu y gyllideb am swyddi gwag tu fewn i'r gwasanaeth/ Delete the budget for vacant posts within the service	90	90	90
Terfynnu Les Ty William / End the Lease of Ty William	20	20	20
Arbedion costau Cyfryngau / Media Cost Savings	3	3	3
Dileu y Gyllideb - Dim angen ddim pellach/ Removal of Budget - No longer required	3	3	3
Lleihau cyllideb costau teithio / Reduce travel budget	2	2	2
Lleihau costau trwy peidio cynhyrchu fersiwn papur / Reduce costs by not producing a paper copy	2	2	2
<b>CYFANSWM / TOTAL</b>	<b>2,900</b>	<b>1,911</b>	<b>3,413</b>

**THE EXECUTIVE, 7 NOVEMBER, 2016**  
**ITEM 3: DRAFT REVENUE BUDGET 2017/18**

**COMMENTS OF THE CORPORATE SCRUTINY COMMITTEE, 19 OCTOBER, 2016:**  
**DRAFT BUDGET PROPOSALS 2017/18**

The initial draft proposals for the 2017/18 budget in terms of the savings identified hitherto were presented to a meeting of the Corporate Scrutiny Committee on 19th October, 2016 for consideration and comment. The Committee and those Members present representing the Partnership and Regeneration Scrutiny Committee considered the savings proposals in the context of 3 specific considerations and made the following observations:

**1. Do any of the draft proposals resulting from the process to date impact on the Council's ability to deliver the outputs of the Council's Corporate Plan in a timely manner**

- The Committee noted the savings proposed under Adults' Services with particular reference to the £250k savings to be generated by service transformation ie by reviewing care packages, residential places and outcome focused support packages and it sought clarification of how these might affect the Council's aim to transform older adult social care and to promote the independence and re-ablement of older people.
- The Committee also noted that an as yet unspecified saving is set against the Dementia Project under the Day Care budget within Adults' Services and it sought clarification of what the saving entailed and how it relates to the corporate aim of transforming adult social care provision given that dementia is recognised as a condition which places particular demand on social care and health provision.

**2. Do any of the draft proposals resulting from the process to date cause significant concern for the Committee as a whole**

- The Committee noted that some of the savings proposals under Adults' Services are yet to be confirmed and it expressed a general concern about the challenge and consequently, the risk involved in trying to realise those savings in an area where the demand is increasing and where a reduced service can have a direct effect on people's lives.
- The Committee sought clarification of how the proposed outsourcing of public conveniences will be effected and savings achieved given that some of the facilities are in a poor condition.
- The Committee noted and was concerned that the savings proposals for 2017/18 put forward by the Education Service fall considerably short of the required target; it suggested that the Service should perhaps look again at what scope it has for identifying further savings particularly as these will have a bearing on the position in 2018/19 and 2019/20.
- The Committee noted that the transformation of the Library Service was originally projected to generate savings of £266k, the highest value savings item within the schedule but is now subject to confirmation which raises a question about its achievability. The Committee was also concerned about the achievability within the 2017/18 financial year of the savings proposed by the Culture Service which relate to the transfer of services particularly as these feed into the priorities of the Corporate Plan.
- The Committee also noted the proposed reduction in non-teaching school costs in connection to reducing sickness levels and the associated cost of supply provision and it suggested that in order to ensure the success of the proposal down the line there needs to be inclusive engagement from the outset in order to achieve consensus.

**3. Do any of the draft proposals resulting from the process to date require re-drafting in order to simplify and crystallise their meaning for consultation purposes**

- The Committee noted as a general point and in the interests of transparency that several of the savings proposals as set out in the schedule would benefit from the addition of some explanatory detail especially where they directly affect people, communities and/or other bodies. The Committee also noted that what may be understood within the Council may not be clear to the general public and will therefore need to be expanded on.
- The Committee noted that where there is a proposed reduction in contribution, contract or service or an increase in price, the amount needs to be quantified and made explicit.
- The Committee also noted that where acronyms are used, their meaning and what they stand for need to be set out.
- The Committee noted that where the meaning might be unclear to the public, additional narrative about what the proposal entails and what it refers to need to be provided eg parking management, Cwmni Cynnal, Holyhead Fish Dock, My View, review of Telecare arrangements.
- The Committee noted with regard to the proposed review of school crossing patrols that this represents a continuation of policy rather than a new proposal and suggested that as such it need not be subject to consultation.
- Finally, the Committee noted that the savings schedule as presented may not necessarily be the same as the schedule which the Executive approves for public consultation at its meeting to be held on 7th November and that the Scrutiny Committee will not have prior sight of or input to the revised and re-drafted version.

**The Corporate Scrutiny Committee resolved to note the service savings proposals as presented and that the observations noted above be forwarded to the Executive.**



<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>7 NOVEMBER 2016</b>
<b>SUBJECT:</b>	<b>DRAFT CAPITAL BUDGET 2017/18</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR H E JONES</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES</b>
<b>REPORT AUTHOR:</b>	<b>MARC JONES</b>
TEL:	01248 752601
E-MAIL:	rmjfi@ynysmon.gov.uk
<b>LOCAL MEMBERS:</b>	<b>n/a</b>
<b>A - Recommendation/s and reason/s</b>	
<p>The Executive is asked to consider the proposed capital programme for 2017/18 and to determine the final proposal to go forward for approval in the new year in respect of the following items:-</p> <ul style="list-style-type: none"> <li>To agree to continue to fund the committed schemes as set out in paragraph 3.2 – Total Cost £8.826m, of which £647k will be from the Council’s core funding;</li> <li>To agree to fund expenditure on disabled facilities grants, refurbishment of existing buildings, I.T assets and vehicles as set out in paragraph 3.3. – Total Cost £2.301m;</li> <li>To approve the funding of the two highest scoring Invest to Save projects as set out in paragraph 3.4 – Total Cost £0.186m;</li> <li>To approve the funding of new capital schemes as set out in paragraph 3.6. – Total Cost £11.675m of which £2.531m will be funded from the Council’s core funding;</li> <li>To approve the funding of £0.76m on Highway Maintenance as per paragraph 3.5.</li> </ul> <p>To consider whether further work is necessary to assess the viability of funding the two schemes detailed in paragraph 3.7 via unsupported borrowing.</p> <p>To approve the capital programme for 21<sup>st</sup> Century schools, subject to a further report to the Executive on the funding of the unsupported borrowing element of the programme.</p> <p>To approve the inclusion of the Housing Revenue Account schemes, as set out in paragraph 5, in the final capital programme – Total cost £9.889m.</p> <p>The detailed report on the proposed capital programme is attached as Appendix 1 – 6.</p>	
<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>	
N/A	
<b>C - Why is this a decision for the Executive?</b>	
This matter is delegated to the Executive.	
<b>CH - Is this decision consistent with policy approved by the full Council?</b>	
Yes	
<b>D - Is this decision within the budget approved by the Council?</b>	
Yes	

<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	Comments from the SLT have been incorporated into the report
2	<b>Finance / Section 151</b> (mandatory)	n/a– this is the Section 151 Officer’s report
3	<b>Legal / Monitoring Officer</b> (mandatory)	TBC
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix 1 – Report on Proposed Capital Programme 2017/18</li> <li>• Appendix 2 – Detailed Proposed Capital Programme 2017/18</li> <li>• Appendix 3 - Invest to Save Projects</li> <li>• Appendix 4 – Scoring of New Capital Schemes</li> <li>• Appendix 5 – Scoring Matrix for New Capital Schemes</li> <li>• Appendix 6 – Summary of Capital Funding for the Proposed Programme</li> </ul>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		

## DRAFT CAPITAL BUDGET 2017/18

## 1. INTRODUCTION

1.1 The Executive Committee at its meeting on 17 October 2016, approved the Capital Strategy in respect of the 2017/18 budget. The strategy set out the priorities to be included in the capital programme which included:-

- Maintaining and upgrading of existing Council assets (including I.T. assets, vehicles and existing buildings);
- Providing a sum for disabled facilities grants;
- Committed schemes commenced in 2016/17;
- Schemes which draw down significant grant contributions with minimum match funding required from the Council;
- Smaller Invest to Save projects.

1.2 The Executive Committee also resolved to assess future 21<sup>st</sup> Century Schools separately from the main capital funding programme.

1.3 Bids were invited from services and assessed against the corporate scoring system to prioritise which bids are recommended for approval.

## 2. FUNDING AVAILABLE

2.1 The core funding available for the 2017/18 general fund capital budget is shown in Table 1 below:-

<b>Table 1 General Fund Core Capital Funding</b>	
<b>Funding Source</b>	<b>£'m</b>
General Capital Grant (as per the Provisional Settlement)	1.340
Supported Borrowing (as per the Provisional Settlement)	2.203
Capital Receipts	1.522
2016/17 Unused Funding Brought Forward	0.564
Revenue Contribution Unapplied Reserve	0.506
<b>Total General Fund Core Capital Funding</b>	<b>6.135</b>

2.2 In addition to this core capital funding, projects will be partly or fully funded by external grants which is drawn down as the scheme progresses.

2.3 The 21<sup>st</sup> Century Schools programme receives 50% funding from the Welsh Government in the form of grants and supported borrowing, with the Council funding its 50% through unsupported borrowing. The timing of the funding will be linked to the progress made on the new schools being built.

2.4 The Housing Revenue Account will also have its own capital programme, which is mainly funded from its own resources generated through the letting of properties and from the Major Repairs Allowance received from Welsh Government.

## 3. GENERAL FUND CAPITAL PROGRAMME 2017/18

3.1 In accordance with the Capital Strategy approved by the Executive Committee on 17 October 2016, funding has been initially allocated to the schemes in the priority set by the strategy. The full details of all the schemes are attached as Appendix 2.

## **3.2 Committed Schemes**

### **3.2.1 CCIS Implementation**

£75k was allocated to this scheme in 2016/17 and the capital programme for 2015/16 identified a commitment for a further £25k in 2017/18. The estimated costs of completing the project have increased to £65k. In addition, the Service has identified revenue costs which cannot be funded through the capital programme to implement the project (£76k in 2017/18 and £50k in 2018/19). No funding currently exists to meet these additional costs.

### **3.2.2 Compulsory Purchase Order**

One property will be shortly sold and this will increase the fund available back to £192k, an additional £8k is allocated to take the fund back to £200k.

### **3.2.3 Holy Island Visitor Gateway**

The Executive has previously resolved to allocate a small capital sum (£40k in 2017/18) to enable around £4m of external funding to be drawn down (see Executive Committee Agenda 18 July 2016 – Item 9).

### **3.2.4 Lôn Wylfa Newydd**

Although the scheme will be carried out by the Council as the Highways Authority, the costs will be fully funded from external sources and no contribution is required from the Council.

### **3.2.5 Llangefni Link Road**

The scheme is planned over a 3 year period, with £3.4m of works planned for 2017/18 and a further £2.9m planned in 2018/19. The Council's contribution is 10% of the scheme cost, giving a need to allocate £342k in 2017/18 and a further £290k in 2018/19. The total Council contribution over the 3 years of the scheme will total £905k.

## **3.3 Maintenance of Existing Assets**

### **3.3.1 Disabled Facility Grants**

There is a statutory requirement to provide grants in order to provide disabled facilities in private sector homes, although it is not specified the level of funding which must be allocated. The Housing Service submitted a bid in excess of £800k but, given the other commitments and calls on the funding available a provisional sum of £750k has been allocated.

### **3.3.2 Improvements to Council Buildings**

A provisional sum of £1m has been allocated and this has been allocated by the Property Services team as £300k for disabled access in schools, £500k for general refurbishment of schools and £200k for the refurbishment of non-school buildings.

### **3.3.3 Investment in I.T.**

A sum of £400k has been provisionally allocated to - maintain core infrastructure (£150k), to upgrade PCs and laptops (£100k) and to pay for licensing costs (£101k). These costs will be incurred annually. In addition, a bid of £50k has been included in the provisional capital programme to fund the cost of migrating systems from old servers. A smaller annual sum of £20k will be required in future years to continue this work.

### **3.3.4 Vehicles**

An annual sum of £150k has been allocated to replace vehicles. It should also be noted that further funding for a replacement library vehicle may be requested but this is dependent on the outcome of the review of library services. In addition, the Council's fleet of gritters will need replacing at some point in the future but this is dependent on their use over this winter. The replacement cost of a gritter is approximately £120k.

## **3.4 Invest to Save Projects**

**3.4.1** During the summer, services were invited to submit bids for funding from the £1m released from reserves. A number of bids of a capital nature were received which would provide revenue savings in future years. Eight bids fell into this category, although two have now received funding via the Welsh Government's Invest to Save funding. The remaining 6 bids were assessed and scored (see Appendix 3). Given the limitations on funding, £186k has been provisionally allocated to the two highest scoring bids. The remaining bids will be carried forward to 2018/19.

## **3.5 Highway Maintenance**

**3.5.1** In previous years, around £2m has been allocated to capital highway maintenance schemes. The funding was initially allocated through the Welsh Government's Local Government Borrowing Initiative which supported local authorities to meet the borrowing costs. This scheme has now ended and, if the Council continues to fund investment in highway maintenance projects, it must either do so via its core capital funding or through unsupported borrowing. The Head of Service has put forward £50k of revenue savings but will require £761k of capital funding to ensure that the minimum contract values are achieved.

**3.5.2** The Head of Service has requested £2.2m of capital funding which is in line with previous sums allocated and this level of expenditure will ensure that the standard of the road network is maintained to its current standard. Given the other commitments and requests for capital funding, the initial allocation process shows that to meet this level of funding then £1.730m of unsupported borrowing would be required. Unsupported borrowing results in additional revenue costs for the Council (Minimum Revenue Provision charge and interest costs). If unsupported borrowing of £1.730m was undertaken, the annual MRP charge and interest costs would be in the region of £140k, which is £90k higher than the proposed saving in the revenue maintenance budget.

- 3.5.3** Reducing the highway maintenance revenue budget and increasing capital expenditure to bring the overall expenditure back to at least the minimum contract value is unsustainable if the capital expenditure is financed through unsupported borrowing. The capital financing costs of the unsupported borrowing, even if this only brings the overall expenditure back to the minimum contract value, will exceed the savings in the revenue maintenance budget and the following year the capital financing cost still has to be funded, the cut in the revenue maintenance budget will still have taken place but there will be no additional capital funding to bring the overall expenditure back to the minimum contract value.
- 3.5.4** It is, therefore, proposed that for 2017/18, the capital funding for highway maintenance is set at £761k, of which £470k is funded through supported borrowing and £291k is funded through unsupported borrowing. This will increase the capital financing costs by £22k. In order to fund this additional cost, the revenue highway maintenance budget needs to be reduced by £72k, which will fund the additional capital financing costs and reduce the overall revenue budget by the £50k initially proposed by the Head of Service.
- 3.5.5** Further work will be required before setting the 2018/19 budget to ensure that a sustainable solution is found to this issue, whereby sufficient capital funding is provided from the core capital funding to enable the standard of the highways to be maintained, that the minimum contract value is achieved but that the Council does not incur additional capital financing costs through unsupported borrowing.

## **3.6 New Capital Schemes**

- 3.6.1** Services were invited to submit bids for the funding in order to undertake new capital schemes and these were assessed against the scoring process previously used (see Appendix 4 and 5). The following schemes have been provisionally included in the capital programme for 2017/18:-
- Seiriol Extra Care Home - £1m – although it is noted that if the scheme is undertaken by the Housing Revenue Account, there may not be a need for the General Fund to make a contribution towards the cost of the scheme;
  - Holyhead and Llangefni Strategic Infrastructure – the majority of the funding will be external grant with the Council contributing £70k as match funding;
  - Garreglwyd Home - £250k of investment is required in order to enable the existing residential home to be developed into a specialist dementia care facility;
  - Gypsy and Traveller Sites – Grant funding will be available in respect of the permanent site but the cost of the temporary sites will fall on the Council. Further work is required in respect of ensuring the maximum grant funding and in costing out the final proposals;
  - Flood Alleviation work at Beaumaris and Pentraeth – it is anticipated that Welsh Government funding will be available to meet the majority of the costs but a contribution will be required by the Council.

### **3.7 Potential Unsupported Borrowing Schemes**

#### **3.7.1 3G Football Pitch at Plas Arthur Leisure Centre**

The current pitch is 15 years old and nearing the end of its useful life. As time passes, the repair and maintenance costs increase and, due to the surface and drainage problems, sessions have to be cancelled during wet weather or when the conditions are icy. This results in a loss of income for the Centre. A new facility would result in reduced running costs and improve income levels. The proposal would require £150k of capital investment, although some grant funding may be available. Although the scheme did not score highly enough against other bids, it is proposed to undertake further work on this bid to determine whether unsupported borrowing would be financially viable.

#### **3.7.2 Replacement Fitness Equipment for Holyhead Leisure Centre**

The bid is to replace ageing fitness equipment at Holyhead Leisure Centre to match the investment that has been made at Plas Arthur and Amlwch Leisure Centres. The investment will help to maintain existing customers and to attract new customers which will increase income levels. Again, this bid did not score as high as the other bids received but, given the potential for increased income, there may be scope to undertake this scheme through unsupported borrowing. It is, therefore, proposed to undertake further work to determine whether this scheme is financially viable.

### **3.8 Schemes which were not Supported**

**3.8.1** The following schemes submitted received the lowest scoring and have provisionally not been supported due to lack of funding:-

- Refurbishment work at Plas Mona;
- Refurbishment work at Plas Crigyll;
- Sewerage Treatment works ;
- Sharepoint.

**3.8.2** Two bids were submitted for feasibility studies. Feasibility study costs cannot normally be capitalised as no asset is created. If a feasibility study then results in a capital scheme which creates an asset, then it is possible to retrospectively capitalise the costs, if the costs are directly linked to feasibility of the chosen option.

## **4. 21<sup>st</sup> CENTURY SCHOOLS**

**4.1** The provisional capital programme includes projects for the schools in Band A. The cost over the next 4 years for these schemes totals £21.06m of which the Council's contribution would be £10.5m.

**4.2** In 2017/18, £6.865m of work is planned of which £1.27m will be funded from Welsh Government grants, £1.27m from supported borrowing and £4.326m from unsupported borrowing.

**4.3** As resolved by the Executive at its meeting on 17 October 2016, further work is required to assess the affordability of the programme.

## **5. HOUSING REVENUE ACCOUNT**

- 5.1** The Housing Revenue Account plans to undertake £9.9m of work during 2017/18 mainly to develop 30 additional units and to refurbish existing properties. Funding has also been allocated to complete the refurbishment of Llawr y Dref, to purchase new vehicles and improve fuel efficiency at the HMU depot. A bid was also made for the purchase of tools but the value was below the de-minimus level and will be funded directly from revenue budgets.
- 5.2** Work is ongoing to determine whether it is feasible and financially viable for the extra care facility for the Seiriol area to be undertaken through the Housing Revenue Account. The scheme has not been included in the draft capital programme for 2017/18 but the Council may be in a position to include the scheme in the final capital programme prior to its approval in February 2017.

## **6. EQUAL PAY COSTS**

- 6.1** The Council is also likely to face considerable costs concerning equal pay and will be applying for Capitalisation Direction to fund these costs. The cost of equal pay has not been quantified but is likely to be significant (at least £2.15m) and will be additional to the projects in the Capital Programme 2017/18 in this report if the equal pay back-pay is paid in 2017/18. This may need to be funded from unsupported borrowing if no other capital funding is available.

## **7. CAPITAL PROGRAMME SUMMARY**

- 7.1** The total proposed capital programme for 2017/18 (including 21<sup>st</sup> Century Schools and Housing Revenue Account) totals £40.865m. £21.258m (52%) will be funded from external funding sources with the remainder funded from the Council's own sources which includes £3.472m of supported borrowing and £4.979m of unsupported borrowing. The remaining £11.156m will be funded from the General Capital Grant, Capital Receipts and the Council's own reserves. A full breakdown is attached as Appendix 6.
- 7.2** Although capital schemes may be identified as being funded from borrowing, in practice the Council uses its own surplus cash balances first to fund the actual capital expenditure (internal borrowing) but this does not mean that the Council will have to borrow to fund this cost at some point in the future. The Capital Finance Requirement (CFR) is the measure of the Council's future borrowing requirement. The latest forecast has assessed the CFR as £131.395m as at 31 March 2017. The current Treasury Management Strategy sets the Council's authorised borrowing limit at £170m. The additional borrowing requirement set out in the draft capital programme will increase the CFR to £135.396m which is still within the authorised borrowing limit of £170m.

## **8. MATTERS FOR DECISION**

- 8.1** The Executive is asked to consider the proposed capital programme for 2017/18 and to determine the final proposal to go forward for approval in the new year in respect of the following items:-



- To agree to continue to fund the committed schemes as set out in paragraph 3.2 – Total Cost £8.826m of which £647k will be from the Council’s core funding;
  - To agree to fund expenditure on disabled facilities grants, refurbishment of existing buildings, I.T assets and vehicles as set out in paragraph 3.3 – Total Cost £2.301m;
  - To approve the funding of the two highest scoring Invest to Save projects as set out in paragraph 3.4 – Total Cost £0.186m;
  - To approve the funding of new capital schemes as set out in paragraph 3.6 – Total Cost £11.675m of which £2.531m will be funded from the Council’s core funding;
  - To approve the funding of £0.76m on Highway Maintenance as per paragraph 3.5.
- 8.2** To consider whether further work is necessary to assess the viability of funding the two schemes detailed in paragraph 3.7 via unsupported borrowing.
- 8.3** To approve the capital programme for 21<sup>st</sup> Century schools, subject to a further report to the Executive on the funding of the unsupported borrowing element of the programme.
- 8.4** To approve the inclusion of the Housing Revenue Account schemes, as set out in paragraph 5, in the final capital programme – Total cost £9.889m.

Department	Proposed Scheme	Brief Description	Year project started/ Due to start	2017/18 Year 1 Cost (£'000)	2018/19 Year 2 Cost (£'000)	2019/20 Year 3 Cost (£'000)	2020/21 Year 4 Cost (£'000)	2021/22 Year 5 Cost (£'000)	Grant/ External Funding 2017/18	Net funding by IOACC 2017/18 - Capital Receipts (£'000)	Net funding schools 2017/18 21C Supported borrowing (£'000)	Net funding by IOACC 2017/18 - Supported Borrowing (£'000)	Net funding by IOACC 2017/18 - General Capital Grant (£'000)	Net funding by IOACC 2017/18 - Unsupported Borrowing (£'000)	Net funding by IOACC 2017/18 - Revenue Contribution Unapplied Reserve (Capital) (£'000)	Net funding by IOACC 2017/18 - Underspend from 2016/17 (£'000)	Net funding by IOACC 2017/18 - Revenue Contribution (£'000)	External Funding after 2017/18 (£'000)
<b>COMMITTED SCHEMES</b>																		
Adult's Services	CCIS Implementation	This is a request for Capital Funding in order to: -  1) Cover the cost of Data Migration, in order to ensure that data transfer is successful (linking in with NHS data sets). 2) To cover the cost of interfacing with other systems within the Council (i.e. Civica etc.) in order to maximise possible system efficiencies wherever possible via workflow. In addition, the project will incur project management costs of £76k in 2017/18 and £50k in 2018/19 which are revenue costs which are excluded from this. This will need to be funded from existing revenue budgets unless additional revenue budget is provided.	2016/17	65	0	0	0	0	0	65	0	0	0	0	0	0	0	0
Economic & Regeneration	Holy Island Visitor Gateway	The Isle of Anglesey County Council in partnership with key stakeholders is currently developing an ambitious tourism investment programme with a view of "Transforming Holy Island into an iconic destination, that's befitting of its strategic location as a key International visitor Gateway to Wales and the UK". The proposal has been developed as part of the bidding process for the Visit Wales led ERDF funded 'Tourism Attractor Destination Programme' in Wales. The project aims to work in parallel with other key projects in Holyhead namely the VVP, HLF, and THI.	2017/18	1,050	1,100	1,100	750	0	1,010	40	0	0	0	0	0	0	0	2,910
Highways	Lôn Wylfa Newydd	The development of a new nuclear power plant at Wylfa will require the delivery of improvements to the existing highway network on Anglesey. The Council has set out its evidenced based approach to the assessment of necessary highway improvements within the Supplementary Planning Guidance (SPG). This recognises the need for improvements to the A5025 and Lôn Nanner.	2016/17	4,097	13,885	9,567	0	0	4,097	0	0	0	0	0	0	0	0	23,452

Highways	Llangefni Link Road	The proposal is to construct 2.5km of a new link road to the SE of Llangefni with the scheme split into four separate section.	2015/16	3,414	2,938	0	0	0	3,072	164	0	0	0	0	0	178	0	2,644
		TOTAL COMMITTED SCHEMES		8,826	18,123	10,867	950	200	8,179	461	0	0	0	0	8	178	0	29,806
<b>DFG &amp; EXISTING ASSETS</b>																		
Housing	Disabled Facility Grant	The Disabled Facilities Grant is a mandatory grant of up to £36,000 and the Council receives approximately 180 enquiries per year for various adaptations to the home. Approximately 120 of these enquiries proceed to a Disabled Facilities Grant approval.	Annual	750	750	750	750	750	0	0	0	0	750	0	0	0	0	0
Property	Education Disabled Access	The Equality Act 2010, which replaces the Disabled Discrimination Act, requires the Authority to carry out reasonable adjustments to the Authority's properties, whilst ensuring access and efficient use of Authority resources.  This is year 2 of an ongoing project to ensure every disabled child has access to the school of their choice. Year 2 will focus on providing disabled toilet facilities at St Marys School, Holyhead, completion of access works at David Hughes Secondary School and begin works at Holyhead Secondary School.	Annual	300	300	300	300	300	0	0	0	0	300	0	0	0	0	0
Highways	Vehicles	The Council operates a fleet of a variety of vehicles and plant including buses, HGV's, cars and vans. This fund is required to replace those vehicles which have reached the end of their economic life. This fund has not in the past been used to purchase vehicles for services which have ring fenced budgets such as housing and schools. The remaining diesel smaller vans and cars will be replaced by LPG fuelled vehicles which will result in lower running costs and assist pressures on the revenue budgets (saving approximately £1,000/vehicle/annum). Note: There is uncertainty at the time of producing the report relating to the review of library services. One of the library vehicles requires replacement in the very near future, therefore, additional funding may be required.	Annual	150	150	150	150	150	0	0	0	0	150	0	0	0	0	0

ICT	Core Infrastructure	To continue this process and to ensure that we engage with a 4 year replacement programme to avoid expensive catch up through lack of investment a rolling programme of iterative improvement is required. New technologies and demand for greater capacity and storage as well as resilient systems will also drive the need to invest further in our core infrastructure. There has been a need to significantly 'catch up' to date and as we get on top of this we will then need to ensure that we continually have the capacity to meet the needs of the Council as we switch more to Digital services and greater dependence on IT for the delivery of services and being flexible in that approach – for example Smarter Working, Electronic Document Management, AppMon etc.	Annual	150	155	160	165	165	0	0	0	0	48	0	102	0	0	0
ICT	Desktop Refresh	The approval of a capital budget totalling £100,000 per annum would allow for 250 desktop clients to be replaced per year on a targeted, needs prioritised basis and would provide a four year refresh for the entire desktop estate. Four years is accepted in the IT industry as a minimum refresh cycle and this would help the Authority to maximise productivity from the numerous new business systems which have been procured in the past few years as well as future developments such as EDRMS and CRM.	Annual	100	105	110	115	115	0	78	0	0	0	0	22	0	0	0
ICT	Legacy System Migration	As we move forward with developing and implementing new technologies to support the Council's business, it is inevitable that we will also need to deal with the data, which in many cases still has great value in supporting future decision making, but also in terms of our obligation to retain data based on statutory regulation, business practices, audit requirements, and as such, we need to plan for a manageable solution.  As an example, but not exclusively, we currently hold legacy, financial data on ageing SUN V440 servers which will be out of support contract in the current Financial Year. We have an obligation to maintain financial records for 7 years as a minimum.	Annual	50	20	20	20	20	0	0	0	0	0	0	50	0	0	0

ICT	MS Licensing	The Council uses Microsoft (MS) operating systems on both Desktops and Servers. All IOACC users are also provided with copies of Microsoft Office for general office work and Exchange as an email system. Each of these elements requires a software license. The current arrangement is for IOACC to take out a subscription agreement with Microsoft to cover these licenses. These agreements are normally taken out on a 3+1+1 year basis.  One of the two MS licensing agreements ended in March 2016 however in order to join the two agreements together we asked Microsoft to allow us to do a contract extension in order to put a new overall agreement in place in March 2017. There was also a need to include additional products such as Lync and additional SQL Server and Server operating systems which has increased the cost of the agreement.  The ongoing use of these MS products depends on such an agreement being in place.	Annual	101	101	101	101	101	0	0	0	0	0	0	0	101	0	0
Property	Refurbish existing Assets - schools	Refurbish Current Assets such as Education Buildings	Annual	500	500	500	500	500	0	176	0	0	0	0	324	0	0	0
Property	Refurbish existing Assets - non schools	Refurbish current Assets - non schools	Annual	200	200	200	200	200	0	200	0	0	0	0	0	0	0	0
<b>DFG</b>																		
<b>EXISTING ASSETS</b>					2,301	2,281	2,291	2,301	2,301	0	454	0	1,248	0	498	101	0	0
<b>INVEST TO SAVE PROJECTS</b>																		
Economic	Improving energy efficiency at Leisure Centres	To install an integrated water and energy intelligent system at 3 Leisure centres, insulation and draught-proofing at Amlwch and Holyhead Leisure Centres and water efficiency measures	2017/18	111	0	0	0	0	0	111	0	0	0	0	0	0	0	0
Waste	Traeth Coch Sewerage Treatment	To install a new sewage treatment works at Traeth Coch which will reduce significantly the revenue costs incurred in emptying the existing septic tank	2017/18	75	0	0	0	0	0	0	0	75	0	0	0	0	0	0
<b>TOTAL INVEST TO SAVE PROJECTS</b>					186	0	0	0	0	0	111	0	75	0	0	0	0	0

HIGHWAY MAINTENANCE																		
Highways	Highways Maintenance	The Highways Service has two main term maintenance partnership contracts in place, both of which have guaranteed minimum spend levels. The revenue cuts since 2015/16 meant the Authority would fail to meet these contract minima from revenue funding and would find itself in a breach of contract situation with both contractors. A capital investment would enable the Council to stay within the terms of the contracts and be in a position to re-tender a more attractive contract highway term-maintenance for higher quality contractors at reduced rates in March 2017. Reduced rates have been secured as a result of this funding for the term-pavements contract which would continue to apply in 2017/18.	2017/18	761	0	0	0	0	0	0	0	244	0	291	0	226	0	0
		TOTAL HIGHWAY MAINTENANCE		761	0	0	0	0	0	0	0	244	0	291	0	226	0	0
NEW SCHEMES FUNDED FROM CAPITAL FUNDING (excl UNSUPPORTED BORROWING)																		
Adult Services	Seiriol	This application for capital support is made to directly support and enable the corporate priority action on developing an Extra Care Home scheme in the South of the Island to proceed.	2017/18	1,000	7,150	7,150	0	0	0	0	0	1,000	0	0	0	0	0	14,300
Economic & Regeneration	Holyhead Strategic Infrastructure	The project will include an integrated package of infrastructure investments including: • Provision of circa 10 (ten) modern, high quality business premises at the former Heliport Site in Penrhos, Holyhead; • Professional fees.	2017/18	5,001	1,806	358	0	0	4,966			35						2,129
Adult Services	Garreglwyd	Garreglwyd Residential Care Home is a 28 bedded residential care home situated in Holyhead, it is proposed that this care home is to be developed to provide specialist dementia care facilities. An annual review has been undertaken to identify any building related issues in respect of the in-house residential care provision. The refurbishment programme for Garreglwyd comprises of: • New kitchen facilities in Seiriol Unit and activities room • Replace existing 7 internal doors to ensure compliance with fire regulations • Replace flooring to 25 bedrooms • Replace flooring in main lounge • Replace flooring in Seiriol Unit • Replace flooring to conservatory • Replace flag stones to internal court yard. • Hot / cold air conditioning system to conservatory • Petition off main area of lounge to improve internal environment • Access to conservatory from main lounge area • Create a user friendly secure outdoor area. • Decorate the establishment • Furniture and fittings	2017/18	250	0	0	0	0	0	0	0	250	0	0	0	0	0	0

Highways	Beaumaris Flood Alleviation	Historically, the town of Beaumaris has suffered flooding. Recorded events begin in 1863, with significant events in 1915, 1957, 2004, 2007, 2012 and 2015. Increased storminess and rising tide levels as a result of climate change are increasing the frequency and severity of these events. The project has already gained approval, with design commencing in 2013/14 and is already subject to some WG funding with completion of the Coastal Element in February 2016.	2017/18	800	200	0	0	0	680	0	0	120	0	0	0	0	0	170
Highways	Pentraeth Flood Alleviation	Nant y Felin estate in Pentraeth has been built in a number of phases on a hillside. In periods of heavy rain, the ordinary watercourse running through the estate has been overloaded, which has resulted in internal flooding to a number of properties in the estate. Funding has been grant aided from Welsh Government to allow the production of a Project Appraisal Report into the flooding concerns in Nant y Felin and this work is currently ongoing. This bid is in anticipation of Welsh Government funding for the final stage and is for the match funding required for the design and construction of an alleviation scheme at Nant y Felin.	2017/18	800	200	0	0	0	680	0	0	120	0	0	0	0	0	170
Economic & Regeneration	Llangefni Strategic Infrastructure	The project will include an integrated package of infrastructure investments including:  • Provision of 5 (five) modern, high quality business premises at the old Môn Training Site; • Professional fees.	2017/18	2,523	441	0	0	0	2,488	0	0	35	0	0	0	0	0	406
Housing	Gypsy & Traveller	This capital bid is for the cost of acquiring land and developing it for sites for Gypsies and Travellers as identified in the statutory Gypsy and Traveller Accommodation Assessment for Anglesey.	2017/18	1,301	36	0	0	0	330	496	0	324	92	0	0	59	0	0
		TOTAL NEW SCHEMES		11,675	9,833	7,508	0	0	9,144	496	0	1,884	92	0	0	59	0	17,175

**UNSUPPORTED BORROWING SCHEMES**

Economic & Regeneration	3G Pitch at Plas Arthur Leisure Centre	This project will entail replacing the old all-weather football pitch currently at Plas Arthur Leisure Centre which has come to the end of its life. This will address current negative perceptions and meet the customer expectations and demands as many clubs have now left the facility to train at Bangor City's new 3G pitch. Investment now will mean that our local clubs can have a facility that meets the standards and will be the first of its kind on the island. Anglesey is one of only a few authorities that don't currently have 3G provision within their authority, the vision by the FAW is that Anglesey needs a 3G pitch to cater for the demand as highlighted in the All Wales Artificial Turf Pitch Vision and Guidance document. This investment is certain to help us reach our target of a 60% reduction in expenditure cost of leisure to the Council.	2017/18	150	0	0	0	0	0	0	0	0	0	150	0	0	0	0
Economic & Regeneration	Holyhead Leisure Centre Fitness Equipment	This project will entail replacing and updating all fitness equipment within the fitness room at Holyhead Leisure Centre to ensure a modern fitness experience can be gained by all customers (Inclusive fitness room). This will address current negative perceptions and meet the customer expectations and demands. Investment at Amlwch and Plas Arthur Leisure Centres has proven positive with increased income and usage figures. Holyhead requires funding now as it has missed out on recent investment in the fitness room over the years and the current fitness room is fast losing its appeal. This investment is certain to help us reach our target of a 60% reduction in expenditure cost of leisure to the council.	2017/18	212	0	0	0	0	0	0	0	0	0	212	0	0	0	0
		TOTAL UNSUPPORTED BORROWING SCHEMES		362	0	0	0	0	0	0	0	0	0	362	0	0	0	0
		TOTAL GENERAL FUND SCHEMES		24,111	30,237	20,666	3,251	2,501	17,323	1,522	0	2,203	1,340	653	506	564	0	46,981
<b>21st CENTURY SCHOOLS</b>																		
Education	21st Century Schools - Ysgol Cybi	New 21st century school in Holyhead	2014/15	502	149	0	0	0	0	0	0	0	0	502	0	0	0	0
Education	21st Century Schools - Ysgol Rhyd Y Llan	New 21st century school in Llanfaethlu	2014/15	1,545	67	0	0	0	0	0	0	0	1,545	0	0	0	0	
Education	21st Century Schools - Ysgol Brynsiencyn	Refurbishment to school to meet 21st century school standards	2016/17	217	217	10	0	0	54	0	54	0	0	109	0	0	0	114
Education	21st Century Schools - Ysgol Parc Y Bont	Extension of Ysgol Parc Y Bont	2016/17	169	169	8	0	0	42	0	42	0	0	85	0	0	0	88



Education	21st Century Schools - Ysgol Bro Rhosyr	New 21st Century School in South West Anglesey - Bro Aberffraw	2016/17	3,591	1,509	65	0	0	898	0	898	0	0	1,795	0	0	0	787
Education	21st Century Schools - Ysgol Llangefni	New 21st Century School in Llangefni	2017/18	675	3,777	2,851	0	0	234	0	234	0	0	207	0	0	0	3,184
Education	21st Century Schools - Ysgol Seiriol	New 21st Century School Seiriol	2017/18	166	1,386	3,879	111	0	42	0	41	0	0	83	0	0	0	2,688
TOTAL 21st CENTURY SCHOOLS				6,865	7,274	6,813	111	0	1,270	0	1,269	0	0	4,326	0	0	0	6,861
<b>HRA SCHEMES</b>																		
Housing - HRA	Development of Additional Council Dwellings	The capital funding bid for 2017/18 will be for funding for 20 units, with the slippage money of 10 units this will allow for the development of 30 new units during 2017/18		2,800	2,884	2,970	3,060	3,151		0	0							2,800
Housing - HRA	Planned Refurbishment	Traditional external planned maintenance will continue to form the basis of our capital investment plans for 2017/18 and beyond. Home improvements in all projects will involve re-roofing, the application of an insulated render system, replacement windows and doors where appropriate, external works to include paths, fencing and boundary walls. Certain properties off the mains gas network will also benefit from the installation of Solar PV systems.  During 2017/18 our programme will involve a minimum of 120 properties benefitting from traditional planned maintenance. Schemes will vary in size in order to give local SME's maximum opportunity to tender for Housing contracts. Home improvements in all the proposed schemes will significantly improve the comfort and appearance of homes and, where applicable, make them more affordable to heat.		6,585	4,399	4,553	0	0	2,665									3,920
Housing - HRA	HMU Vehicles	In order to deliver the excellent service the BMU are dependent on a safe, effective, cost efficient and fit for purpose fleet of vehicles that also meet driver's expectations and minimise environmental impact. The HMU are currently operating a fleet of 32 vehicles. They are generally "transit" in size and type. These vehicles are an essential element in providing a means of transporting the operative, tools and materials to providing the excellent service aims. The original fleet has now been replaced with new vehicles apart from one old pick up truck and two LGV Vans.		144	0	0	0	0	0									144
Housing - HRA	Premesis	The aim of this Bid is to provide a more fuel efficient structure to the depot roof and improve the aesthetic appearance of the building.		110	0	0	0	0	0									110

Housing - HRA	Re-modelling Llawr-Y-Dref	A business case is currently being prepared to be presented to the Executive Committee with recommendations for the remodelling and future use of the scheme which will generate efficiency savings to both the Council General Fund through the reduction in use of emergency accommodation and to the HRA through the reduction of void properties.		250	0	0	0	0	0	0								250			
				9,889	7,283	7,523	3,060	3,151	2,665	0			0	0	0	0	0	7,224	0		
		Total General Fund including 21st Century Schools		30,976	37,511	27,479	3,362	2,501	18,593	1,522	1,269	2,203	1,340	4,979	506	564	0	53,842			
		Total HRA		9,889	7,283	7,523	3,060	3,151	2,665	0		0	0	0	0	0	0	7,224	0		
		Total Capital Programme		40,865	44,794	35,002	6,422	5,652	21,258	1,522	1,269	2,203	1,340	4,979	506	564	7,224	53,842			
<b>LOWER PRIORITY SCHEMES - INSUFFICIENT FUNDING</b>																					
Adult Services	Plas Mona	Plas Mona Residential Care Home is a 28 bedded specialist dementia care home situated in the village of Llanfair PG. An annual review has been undertaken to identify any building related issues in respect of the in-house residential care provision. The refurbishment programme for Plas Mona comprises of:  <ul style="list-style-type: none"> <li>• New access to outside area from dining room</li> <li>• Create a user friendly secure outdoor area to the rear of the property</li> <li>• Decorate communal areas</li> </ul>	2017/18	50	0	0	0	0	0	0										0	
Adult Services	Plas Crigyll	Plas Crigyll Residential Care Home is a 25 bedded specialist dementia care home situated in the village of Bryngwran. An annual review has been undertaken to identify any building related issues in respect of the in-house residential care provision. The refurbishment programme for Plas Crigyll comprises of:  <ul style="list-style-type: none"> <li>• Double glazing to all existing windows</li> <li>• Replace 25 internal doors</li> <li>• New kitchen facilities to two units</li> <li>• New access to outside area from communal lounge</li> </ul>	2017/18	75	0	0	0	0	0	0											0
Waste Management	Essential Sewage Treatment	To install a package sewage treatment plant or purchase land to install a septic tank could be considered. Consultants would need to be employed to carry out a more detailed appraisal which would identify budgetary costs which are anticipated to be in the region of £100k. Thereafter, there would be minimal annual costs for the maintenance of such devices/electric feed etc., however, it is envisaged that these could be transferred to a third party, subject to a new legal agreement between all parties involved.	2017/18	180	0	0	0	0	0	0										0	

ICT	Sharepoint EDM	The Council has committed to developing "better, more modern services, increasing efficiency, lower long term costs, improve motivation and extend working flexibility."  In meeting this commitment, the Smarter Working Project Board have identified that the implementation of a corporate Electronic Document and Records Management System (EDRMS) would allow staff to access and work collaboratively on documents in a flexible and efficient manner.	2017/18	140	60	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LOWER PRIORITY SCHEMES				445	60	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>BIDS RECEIVED INELIGIBLE FOR CAPITAL FUNDING</b>																		
Economic & Regeneration	Plas Arthur Leisure Centre Entrance	The project will be for a feasibility study / preliminaries to determine to what extent the ground floor at Plas Arthur can be adapted to form a modern, fit for purpose welcome area, including a soft play facility. The key driver is an initial study / sketches provided by the Amec Foster Wheeler report. Modernising our leisure centres is key to the above. It is necessary to create welcoming, fit-for-purpose facilities that encourage people to stay/spend in comfort, following their leisure activity. There are future plans to provide an 'Urban Sports Park' on the site of the old skate-park at Plas Arthur. This project provides an opportunity to create a positive reception and café area and to encourage secondary spend.		30	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property	Energy Conservation	Co-funded by the Intelligent Energy Europe Programme of the European Union, the Re:fit Cymru programme provides professional support to Welsh public sector organisations to identify, develop and implement projects. By accessing an energy performance contract the savings are guaranteed. Re:fit Cymru provides support in: • Stakeholder engagement to secure organisational buy-in • Strategy and project development • Procurement and legal support • Technical Advice • Access to a UK wide public sector framework • Support during project delivery Re:fit Cymru will subsidise 90% of the cost for these services, and the Welsh Government can offer zero percent interest finance to implement the energy efficiency measures. A maximum sum of £20,000 is required to carry out a feasibility study as match funding to develop large scale (min £500,000) energy saving projects which will provide guaranteed savings as well as reducing carbon emissions		20	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## INVEST TO SAVE PROJECTS

Name of Invest-to-save scheme	Service/Function	Amount needed	Estimated useful Economic Life	Annual saving	Rate (PWL B rates at 20/10/16)	Annual interest	Annual MRP	Annual Savings after interest and MRP	Duration of savings	Total estimated savings (without interest and MRP)	Total estimated savings (after interest and MRP)	Payback period (excludes capital financing)
		£		£	%	£	£	£	£	£	£	No of years
Improving energy efficiency at Leisure Centres - Integrated water system	Regulation and Economic Development	111,000	20	29,000	2.75%	3,053	5,550	20,398	20	580,000	407,950	3.83
Install variable speed drives on ventilation at County Offices	Highways, Waste and Property	10,000	10	5,000	2.14%	214	1,000	3,786	10	50,000	37,860	2.00
Chemical dosing system swimming pool at 3 Leisure Centres	Regulation and Economic Development	60,000	15	12,000	2.56%	1,536	4,000	6,464	15	180,000	96,960	5.00
LED lighting in secondary schools	Highways, Waste and Property	160,000	15	32,000	2.56%	4,096	10,667	17,237	15	480,000	258,560	5.00
Energy cost reduction at Ysgol Uwchradd Bodedern	Highways, Waste and Property	75,000	10	17,000	2.14%	1,605	7,500	7,895	10	170,000	78,950	4.41
New Treatment Plant for Traeth Coch Public Convenience	Highways, Waste and Property	75,000	25	26,000	2.83%	2,123	3,000	20,878	25	650,000	521,938	2.88
		<b>491,000</b>		<b>121,000</b>		<b>12,626</b>	<b>31,717</b>	<b>76,657</b>		<b>2,110,000</b>	<b>1,402,218</b>	

APPENDIX 4

Department	Proposed Scheme	Brief Description	Year project started/ Due to start	2017/18 Year 1 Cost (£'000)	Corporate priority the bid meets	Which part of the priority it meets	Scoring Criteria (points awarded from 0-10)						Total
							Weighting	30	20	15	10	20	
							Projects Contribution to delivering corporate priorities	Level of Corporate risk that the proposal mitigates	Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge	Level of joint/ match funding potentially available	Favourable impact on revenue budget or invest to save potential	Robustness of Project Management	
Adult Services	Seiriol	This application for capital support is made to directly support and enable the corporate priority action on developing an Extra Care Home scheme in the South of the Island to proceed.	2017/18	1,000	A - Transform Adult Social Care	Develop and establish in collaboration with partners two extra care housing schemes in the North and centre of the Island with planning for a further scheme in the South for older people who are unable to stay at home	300	150	150	100	200	50	950
Economic & Regeneration	Holyhead Strategic Infrastructure	The project will include an integrated package of infrastructure investments including:  • Provision of circa 10 (ten) modern, high quality business premises at the former Heliport Site in Penrhos, Holyhead; • Professional fees.	2017/18	5,001	B - Regenerating our Communities and Developing the Economy		300	140	0	95	160	50	745
Adult Services	Garreglwyd	Garreglwyd Residential Care Home is a 28 bedded residential care home situated in Holyhead, it is proposed that this care home is to be develop to provide specialist dementia care facilities. An annual review has been undertaken to identify any building related issues in respect of the in-house residential care provision. The refurbishment programme for Garreglwyd comprises of:  • New kitchen facilities in Seiriol Unit and activities room • Replace existing 7 internal doors to ensure compliance with fire regulations • Replace flooring to 25 bedrooms • Replace flooring in main lounge • Replace flooring in Seiriol Unit • Replace flooring to conservatory • Replace flag stones to internal court yard. • Hot / cold air conditioning system to conservatory • Petition off main area of lounge to improve internal environment • Access to conservatory from main lounge area • Create a user friendly secure outdoor area. • Decorate the establishment • Furniture and fittings	2017/18	250	A - Transform Adult Social Care	Develop joint service delivery and management in particular in relation to dementia, older people services in general and support for carers in order to better co-ordinate service provision, in partnership with the Health Board,	300	140	150	0	100	50	740

Highways	Beaumaris Flood Alleviation	Historically, the town of Beaumaris has suffered flooding. Recorded events begin in 1863, with significant events in 1915, 1957, 2004, 2007, 2012 and 2015. Increased storminess and rising tide levels as a result of climate change are increasing the frequency and severity of these events. The project has already gained approval, with design commencing in 2013/14 and is already subject to some WG funding with completion of the Coastal Element in February 2016.	2017/18	800	B - Regenerating our Communities and Developing the Economy	Work with the Welsh Government and other partners to strengthen the competitiveness of the island's economy and supporting local companies.	200	200	100	85	100	25	710
Highways	Pentraeth Flood Alleviation	Nant y Felin estate in Pentraeth has been built in a number of phases on a hillside. In periods of heavy rain, the ordinary watercourse running through the estate has been overloaded, which has resulted in internal flooding to a number of properties in the estate. Funding has been grant aided from Welsh Government to allow the production of a Project Appraisal Report into the flooding concerns in Nant y Felin and this work is currently ongoing. This bid is in anticipation of Welsh Government funding for the final stage and is for the match funding required for the design and construction of an alleviation scheme at Nant y Felin.	2017/18	800	B - Regenerating our Communities and Developing the Economy	Work with the Welsh Government and other partners to strengthen the competitiveness of the island's economy and supporting local companies.	200	200	100	85	100	25	710
Economic & Regeneration	Llangefni Strategic Infrastructure	The project will include an integrated package of infrastructure investments including: • Provision of 5 (five) modern, high quality business premises at the old Môn Training Site; • Professional fees.	2017/18	2,523	B - Regenerating our Communities and Developing the Economy		300	140	0	95	120	50	705
Economic & Regeneration	3G Pitch at Plas Arthur Leisure Centre	This project will entail replacing the old all-weather football pitch currently at Plas Arthur Leisure Centre which has come to the end of its life. This will address current negative perceptions and meet the customer expectations and demands as many clubs have now left the facility to train at Bangor City's new 3G pitch. Investment now will mean that our local clubs can have a facility that meets the standards and will be the first of its kind on the island. Anglesey is one of only a few authorities that don't currently have 3G provision within their authority, the vision by the FAW is that Anglesey needs a 3G pitch to cater for the demand as highlighted in the All Wales Artificial Turf Pitch Vision and Guidance document. This investment is certain to help us reach our target of a 60% reduction in expenditure cost of leisure to the council.		150	B - Regenerating our Communities and Developing the Economy	Regeneration of vibrant communities	200	150	200		100	50	700
Economic & Regeneration	Holyhead Leisure Centre Fitness Equipment	This project will entail replacing and updating all fitness equipment within the fitness room at Holyhead Leisure Centre to ensure a modern fitness experience can be gained by all customers (Inclusive fitness room). This will address current negative perceptions and meet the customer expectations and demands. Investment at Amlwch and Plas Arthur Leisure Centres has proven positive with increased income and usage figures. Holyhead requires funding now as it has missed out on recent investment in the fitness room over the years and the current fitness room is fast losing its appeal. This investment is certain to help us reach our target of a 60% reduction in expenditure cost of leisure to the council.	2017/18	212	B - Regenerating our Communities and Developing the Economy	Regeneration of vibrant communities	200	150	200	0	100	50	700
Housing	Gypsy & Traveller	This capital bid is for the cost of acquiring land and developing it for sites for Gypsies and Travellers as identified in the statutory Gypsy and Traveller Accommodation Assessment for Anglesey.	2017/18	1,301	D - Increasing our Housing Options and Reducing Poverty		300	200	150	0	0	35	685

Adult Services	Plas Mona	Plas Mona Residential Care Home is a 28 bedded specialist dementia care home situated in the village of Llanfair PG. An annual review has been undertaken to identify any building related issues in respect of the in-house residential care provision. The refurbishment programme for Plas Mona comprises of:  <ul style="list-style-type: none"> <li>• New access to outside area from dining room</li> <li>• Create a user friendly secure outdoor area to the rear of the property</li> <li>• Decorate communal areas</li> </ul>	2017/18	50	A - Transform Adult Social Care	Develop joint service delivery and management in particular in relation to dementia, older people services in general and support for carers in order to better co-ordinate service provision, in partnership with the Health Board.	100	150	150	0	100	50	550
Adult Services	Plas Crigyll	Plas Crigyll Residential Care Home is a 25 bedded specialist dementia care home situated in the village of Bryngwran. An annual review has been undertaken to identify any building related issues in respect of the in-house residential care provision. The refurbishment programme for Plas Crigyll comprises of:  <ul style="list-style-type: none"> <li>• Double glazing to all existing windows</li> <li>• Replace 25 internal doors</li> <li>• New kitchen facilities to two units</li> <li>• New access to outside area from communal lounge</li> </ul>	2017/18	75	A - Transform Adult Social Care	Develop joint service delivery and management in particular in relation to dementia, older people services in general and support for carers in order to better co-ordinate service provision, in partnership with the Health Board.	100	150	150	0	100	50	550
Waste Management	Essential Sewage Treatment	To install a package sewage treatment plant or purchase land to install a septic tank could be considered. Consultants would need to be employed to carry out a more detailed appraisal which would identify budgetary costs which are anticipated to be in the region of £100k. Thereafter, there would be minimal annual costs for the maintenance of such devices/electric feed etc, however, it is envisaged that these could be transferred to a third party, subject to a new legal agreement between all parties involved.	2017/18	105			0	150	200	0	0	50	400
ICT	Sharepoint EDM	The Council has committed to developing "better, more modern services, increasing efficiency, lower long term costs, improve motivation and extend working flexibility."  In meeting this commitment, the Smarter Working Project Board have identified that the implementation of a corporate Electronic Document and Records Management System (EDRMS) would allow staff to access and work collaboratively on documents in a flexible and efficient manner.	2017/18	140	None	This doesn't meet a specific Corporate Priority	0	100	150	0	0	50	300
				12,407									
Housing - HRA	Development of Additional Council Dwellings	The capital funding bid for 2017/18 will be for funding for 20 units, with the slippage money of 10 units this will allow for the development of 30 new units during 2017/18		2,800	D - Increasing our Housing Options and Reducing Poverty	Increase the affordable housing options, island wide and bring empty homes back into use	300	200	150	0	0	50	700





**SCORING MATRIX****Projects Contribution to delivering corporate priorities (Weighting 30%)**

- 300 points is awarded if the scheme fully meets one or more of the bullet points within the corporate plan.
- A score of between 1 and 299 is awarded if part of the bullet points within the corporate plan is met, with the score reflecting the severity of the impact. If a scheme meets most of the corporate priority, it should score over 200 points, but if the scheme only meets a fraction of the corporate priority, it should score less than 100. The scoring is based on the scorer's discretion.
- A score of 0 is awarded if the scheme doesn't meet any of the bullet points within the corporate plan.

**Level of Corporate Risk that the proposal mitigates (Weighting 20%)**

- 200 points is awarded if the scheme fully mitigates a corporate risk.
- A score of between 1 and 199 is awarded if the scheme partly mitigates a corporate risk. The score will reflect the severity of the mitigation. If a scheme mitigates a lot of the corporate risk, it should score over 120 points, but if the scheme only mitigates a small amount of corporate risk, it should score less than 50. The scoring is based on the scorer's discretion.
- A score of 0 is awarded if the scheme doesn't mitigate any of the corporate risk.

**Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge (Weighting 15%)**

- 150 points is awarded if the scheme is fully required to comply with either statutory, health, or DDA responsibilities.
- A score of between 1 and 149 is awarded if the scheme partly complies with either statutory, health, or DDA responsibilities. The score will reflect the severity of the compliance. If a scheme complies a lot with either the statutory, health, or DDA responsibilities, it should score over 100 points, but if the scheme only complies slightly with either statutory, health, or DDA responsibilities it should score less than 30. The scoring is based on the scorer's discretion.
- A score of 0 is awarded if the scheme doesn't comply with either statutory, health, or DDA responsibilities.

**Level of joint / match funding potentially available (Weighting 10%)**

- If the scheme is 100% grant funded, the scheme will score 100 points. If the scheme is 50% grant funded, the scheme will score 50 points. If the scheme will receive no grant funding, it will score 0 points.

**Favourable impact on revenue budget or invest to save potential (Weighting 20%)**

- 200 points is awarded if the scheme has a major impact on revenue budget or invest to save potential.
- A score of between 1 and 199 is awarded if the scheme has some favourable impact on revenue budget or invests to save potential, with the scoring dependent on how much impact there is on the revenue budget. A high favourable impact should score over 120, with a low impact expected to score less than 50 points.
- A score of 0 is awarded if there is no favourable impact on revenue budget or invest to save potential.

**Robustness of Project Management (Weighting 5%)**

- A fully robust project management will score 50 points.
- A score of between 1 and 49 will be scored dependent on how robust the project management is, with the scoring based on the scorer's discretion.
- A score of 0 is awarded if the project management is not robust at all.

## SUMMARY OF CAPITAL FUNDING ALLOCATED

Source of Funding	Committed Schemes £'000	Existing Assets £'000	Invest to Save Projects £'000	Highway Maintenance £'000	New Schemes £'000	Unsupported Borrowing Schemes £'000	Total General Capital Fund £'000	21st Century Schools £'000	Housing Revenue Account £'000	Total Capital Programme 2017/18 £'000
General Capital Grant	-	1,248	-	-	92	-	1,340	-	-	1,340
General Supported Borrowing	-	-	75	244	1,884	-	2,203	-	-	2,203
Capital Receipts	461	454	111	-	496	-	1,522	-	-	1,522
Underspend from 2016/17 B/F	178	101	-	226	59	-	564	-	-	564
Revenue Contribution Unapplied Reserve	8	498	-	-	-	-	506	-	-	506
External Grants	8,179	-	-	-	9,144	-	17,323	-	-	17,323
Unsupported Borrowing	-	-	-	291	-	362	653	-	-	653
<b>TOTAL GENERAL FUND CORE CAPITAL FUNDING</b>	<b>8,826</b>	<b>2,301</b>	<b>186</b>	<b>761</b>	<b>11,675</b>	<b>362</b>	<b>24,111</b>	<b>-</b>	<b>-</b>	<b>24,111</b>
21st Century Schools Grant Funding	-	-	-	-	-	-	-	1,270	-	1,270
21st Century Schools Supported Borrowing	-	-	-	-	-	-	-	1,269	-	1,269
21st Century Schools Unsupported Borrowing	-	-	-	-	-	-	-	4,326	-	4,326
<b>TOTAL 21st CENTURY SCHOOLS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,865</b>	<b>-</b>	<b>6,865</b>
Housing Revenue Account Contribution	-	-	-	-	-	-	-	-	7,224	7,224
Housing Revenue Account Grants	-	-	-	-	-	-	-	-	2,665	2,665
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,889</b>	<b>9,889</b>
<b>TOTAL FUNDING</b>	<b>8,826</b>	<b>2,301</b>	<b>186</b>	<b>761</b>	<b>11,675</b>	<b>362</b>	<b>24,111</b>	<b>6,865</b>	<b>9,889</b>	<b>40,865</b>

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>THE EXECUTIVE</b>
<b>DATE:</b>	<b>NOVEMBER 7<sup>th</sup>, 2016</b>
<b>SUBJECT:</b>	<b>THE 2017/18 BUDGET CONSULTATION PLAN</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR ALWYN ROWLANDS</b>
<b>HEAD OF SERVICE:</b>	<b>SCOTT ROWLEY</b>
<b>REPORT AUTHOR:</b> TEL: E-MAIL:	<b>GETHIN MORGAN</b> 01248 752111 <a href="mailto:GethinMorgan@anglesey.gov.uk">GethinMorgan@anglesey.gov.uk</a>
<b>LOCAL MEMBERS:</b>	<b>n/a</b>

<b>A - Recommendation/s and reason/s</b>	
<p><b>1.1</b> The attached provides a high level account of the proposed budget consultation plan to be actioned during the period – week commencing Nov 7<sup>th</sup> through to December 16<sup>th</sup>.</p> <p><b>1.2</b> It outlines a cross sector approach aiming to provide an account and gaining citizens views through –</p> <ul style="list-style-type: none"> <li>a. The Press</li> <li>b. Town &amp; Community Councils</li> <li>c. Stakeholder workshops</li> <li>d. The web</li> <li>e. Social Media</li> <li>f. Citizen panel</li> <li>g. Secondary School workshops</li> </ul> <p><b>1.3</b> The Committee is requested to scrutinise the proposal so as to inform and improve the future planning of budget consultation exercises and also to increase corporate appreciation of the scheduled work over the period.</p>	
<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>	
n/a	
<b>C - Why is this a decision for the Executive?</b>	

This matter is delegated to the Executive		
<b>CH - Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D - Is this decision within the budget approved by the Council?</b>		
Yes		
<b>DD - Who did you consult? say?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT) (mandatory)</b>	This was considered by the Penaethiaid at their meeting on the 11 <sup>th</sup> October and their support of the consultation programme was noted
2	<b>Finance / Section 151 (mandatory)</b>	No comment
3	<b>Legal / Monitoring Officer (mandatory)</b>	No comment
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	Comments of Corporate Scrutiny Committee included as Appendix B
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
Appendix A – Consultation / Communication Plan - Budget Proposals IoACC 2017/18 Appendix B – Corporate Scrutiny Committee Comments 19.10.16		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		

**APPENDIX A:**

**ENGAGEMENT AND COMMUNICATION PLAN –  
BUDGET PROPOSALS CYNGOR SIR YNYS MÔN 2017/18**

The purpose of this plan is to acknowledge the areas of work required for the Council to realise its aim of consulting as thorough as possible, so that the Executive’s final budget proposals for the 2017/18 budget to the Council in February 2017 is done so with the appreciation and understanding of the different viewpoints and perspectives of the opportunities which arise and the risks it entails.

This plan is a follow on and continuation of the story told over the past few years regarding austere times and provided an appreciation to our citizens / partners of the future financial challenges facing us as a public sector body.

The following schedule encompasses the dates Oct / Nov 11<sup>th</sup> – Dec 16<sup>th</sup>.

Ref.	Dates	Event / Campaign & Purpose	Lead	Support	For information
A	October	Meeting of the Corporate Scrutiny Committee to scrutinise (i) areas of concern against the corporate plan (ii) proposals which are controversial in nature and in need of further work (iii) the wording of the said efficiencies to ensure clarity	Corporate Scrutiny Committee	Penaethiaid	Finance / Portfolio Holders
B	7.11.16	An Executive meeting to propose efficiencies for 2017/18 for the purpose of consultation and communication.	Finance	Business Planning and Performance Team	SLT & Penaethiaid
C	Week C’cing	A meeting of the Town & Community Council sub-group to discuss the opportunities and consequences of the budget proposals.	Leader	Finance / Business	Assistant Chief Executive

	21.11.16			Planning & Performance Team	J Huw Jones Penaethiaid
CH	Week c'ecing 21.11.16	Stakeholder workshop in Council Chamber to increase understanding and ignite discussion surrounding the opportunities and risks flowing from the 2017/18 budget proposals.	Business Planning and Performance Manager	Press Team Senior Accountant Leader & Chief Executive	Penaethiaid
A campaign to promote the proposals in the public arena through number of different channels.....					
D	2.11.16	Press briefing re: budget proposals for 2017/18.	Press Officer	Finance / Business Planning and Performance Team	Penaethiaid & Staff
DD	11.11.16 - 16.12.16	Promotional campaign focusing on website and e-questionnaire to collate citizens views across the island. <ul style="list-style-type: none"> <li>• Create an online survey before the consultation asking the public if they would like drop in sessions at their local library or leisure centre.</li> <li>• Online survey</li> <li>• Blogs from the Leader answering FAQ's</li> <li>• Tour around the secondary schools, youth Clubs/organisations (Urdd, Llais ni, YFC) &amp; Digartref</li> <li>• Interviews with MonFM – Opportunity from the Leader/Chief Executive to answer questions from the public.</li> <li>• Press Releases – launch the consultation, reminder, closing date approaching.</li> </ul>	Business Planning and Performance Team	Finance / Llaisiau'n Lleol	Staff

		<ul style="list-style-type: none"> <li>• Co-operate with departments – attend workshops and forums.</li> <li>• Third Sector meeting</li> <li>• Promote daily on the council's social media pages and internally via Y Ddolen to staff.</li> <li>• Meeting the Town &amp; Community Councils – Pre-record a the webcast and share via social media.</li> </ul>			
E	11.11.16 – 16.12.16	Use of a citizen panel and recognised forums to gain feedback from those impacted directly from budget decisions.	Business Planning and Performance Manager	Medrwn Mon Press Team	HoS Adults & Regulation

This plan will enable Officers to collect and collate the necessary information to formulate a report outlining the different perspectives of individuals and organisations to the proposed budget proposals so that it can be reported and discussed at the Corporate Scrutiny Committee meeting scheduled for the beginning of February (6<sup>th</sup>).

## APPENDIX B –

### CORPORATE SCRUTINY COMMITTEE COMMENTS - 19.10.16

The proposed Budget Consultation Plan to be actioned during the period commencing on 11th November, 2016 through to 16th December, 2016 was presented to a meeting of the Corporate Scrutiny Committee on 19th October, 2016 for consideration and comment. The Committee and those Members present representing the Partnership and Regeneration Scrutiny Committee considered the proposed Consultation Plan and made the following observations:

- The Committee recognised the challenge involved in presenting proposals for savings within Council services to the public year on year in a way that does not automatically generate a negative response, and it sought clarification on how it was proposed this would be done this year.
- In light of the Welsh Government's announcement the previous day regarding a better than expected local government settlement, the Committee sought clarification whether the message to communities about the outlook for the coming financial year will therefore be different to what it otherwise might have been.
- The Committee sought assurance that the budget consultation process will not simply be a tick box exercise and that the Council will have a meaningful dialogue with the public about its budget proposals and will listen to the views expressed and if necessary be prepared to change its approach on the basis of what the public has to say.
- The Committee sought clarification whether the Council has any leeway within its budget plans to be able to respond positively to what the public may want as expressed through the consultation process.
- The Committee also sought clarification of what changes have been made to the consultation process on the basis of previous experience and whether less effective elements eg certain meetings that were poorly attended have been dispensed with.
- The Committee suggested that it might be beneficial once the 2017/18 budget has been set and approved, to conduct a review of the public consultation process to establish what has worked and what has not worked so that changes can be made for the following year.

**Having obtained assurance and clarification with regard to these matters, the Committee resolved to endorse the Engagement and Communication Plan for the 2017/18 budget proposals as presented.**