



**CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL**

**GŴYS A RHAGLEN**

**SUMMONS AND AGENDA**

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for a

**CYFARFOD RHITHIOL  
O GYNGOR SIR  
YNYS MÔN**

**VIRTUAL MEETING OF THE  
ISLE OF ANGLESEY  
COUNTY COUNCIL**

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on

**DYDD MAWRTH  
8 MEDI 2020**

**TUESDAY, 8 SEPTEMBER 2020**

**→ am 10.30 o'r gloch yb ←**

**→ at 10.30 am ←**

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

### **1. MINUTES**

To submit for confirmation, the draft minutes of the meeting of the County Council held on 10 March, 2020.

### **2. DECLARATION OF INTEREST**

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

### **3. TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRPERSON, LEADER OF THE COUNCIL OR THE CHIEF EXECUTIVE**

### **4. NOTICE OF MOTION**

- To submit the following Notice of Motion by Councillor J Arwel Roberts:-

In April, 2019, the Welsh Government Minister for the Environment, Energy and Rural Affairs, Lesley Griffiths, AM, declared a climate emergency in Wales.

Gwynedd County Council have already followed WAG and declared along with other authorities to follow the same footpath.

*"I call on this Council to follow suit and sign up to the commitment to achieve a Carbon Neutral Public Sector by 2030. We must recognise that this Council cannot continue with business as usual, and prepare an action plan, which can be monitored and implemented.*

*We need to stop investing in fossil fuels, use our local planning policies to accelerate the delivery of net zero carbon developments and communities.*

*We are in a position to make a difference for the sake of future generations, and we have a moral duty to act".*

- To submit the following Notice of Motion by Councillor Robert Ll Jones:-

*'Our town centres on Ynys Môn are now being put under tremendous stress as people choose to go online for their merchandise, be it clothes, food supplies, shoes and most other things. We are finding more and more empty shops and also large houses and business premises that are being turned into self-contained one room accommodation. This has happened in other towns in North Wales and has resulted in a deterioration of the whole town.*

*I am now asking for our Joint Development Plan to be revised and for the legislation to be strengthened in order to give developers the support needed to purchase these premises and to turn them into decent homes that will be*

*available for young families or the elderly who wish to down size as an alternative to the one room developments that are in danger of becoming the norm in our towns. It may lead to looking at a visionary approach to what our present and future role for town centres will be and to build new and innovating buildings in place of our run down Victorian shops as seen in towns all over North Wales. Tourism is growing everywhere and we need to tap into it by being an attractive place to visit while making our County a place for all of us to be proud of.*

*Do we have the will to take this on as an authority and to take the first step in bringing it into reality or will we continue to muddle on and see our urban environment continue to decline.*

*I AM ASKING FOR A JOINT APPROACH BY ALL OF NORTH WALES AUTHORITIES TO EXAMINE WHAT IS HAPPENING AND TO DO SOMETHING ABOUT IT.'*

**5. PRESENTATION OF PETITIONS**

To receive any petition in accordance with Paragraph 4.1.11 of the Constitution.

**6. TO PROVIDE AN EXTENSION TO THE TIME LIMIT UNDER SECTION 85 OF THE LOCAL GOVERNMENT ACT 1972**

To submit a report by the Director of Function (Council Business)/Monitoring Officer, following the decision of the Standards Committee's Dispensation Panel on 29 July 2020.

**7. PUBLIC SPEAKING PROTOCOL FOR SCRUTINY**

To submit a report by the Director of Function (Council Business)/Monitoring Officer, as presented to the Corporate Scrutiny Committee on 9 March 2020, the Partnership and Regeneration Scrutiny Committee on 11 March 2020, and the Executive on 23 March 2020.

**8. REVIEW OF THE ELECTORAL ARRANGEMENTS OF THE COUNTY OF THE ISLE OF ANGLESEY**

To submit a report by the Head of Democratic Services, as presented to the Democratic Services Committee on 30 July 2020.

**9. STATEMENT OF ACCOUNTS 2019/20**

To submit the Statement of Accounts for 2019/20 as presented to the Audit and Governance Committee on 1 September, 2020.

**10. THE LEADER OF THE COUNCIL'S ANNUAL REPORT FOR 2019/2020**

To submit the Council Leaders' Annual Report in accordance with paragraphs 4.1.11 of the Constitution.

11. **ANNUAL REPORT OF THE CHAIR OF THE STANDARDS COMMITTEE**

To submit a report by the Mr John R Jones, Independent Chair of the Standards Committee.

12. **OVERVIEW AND SCRUTINY ANNUAL REPORT 2019/20**

To submit a report by the Chairs of the Corporate Scrutiny Committee and the Partnership and Regeneration Scrutiny Committee.

13. **AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2019/20**

To submit a report by the Chair of the Audit and Governance Committee as presented to the Audit and Governance Committee on 1 September 2020.

14. **DEMOCRATIC SERVICES COMMITTEE ANNUAL REPORT 2019/20**

To submit a report by the Chair of the Democratic Services Committee, as presented to the Democratic Services Committee on 30 July 2020.



**ISLE OF ANGLESEY COUNTY COUNCIL**

**Minutes of the meeting held on 10 March 2020**

**PRESENT:** Councillor Margaret Murley Roberts (Chair)  
Councillor Dylan Rees (Vice-Chair)

Councillors Lewis Davies, John Griffith, Richard Griffiths, K P Hughes, T LI Hughes MBE, Vaughan Hughes, Llinos M Huws, Aled M Jones, Carwyn Jones, Richard O Jones, Gwilym O Jones, R LI Jones, Alun W Mummery, Bryan Owen, Bob Parry OBE FRAgS, Alun Roberts, Dafydd Roberts, J Arwel Roberts, Nicola Roberts, Peter S Rogers, Dafydd R Thomas, Ieuan Williams and Robin Williams.

**IN ATTENDANCE:** Chief Executive,  
Director of Function (Council Business)/Monitoring Officer,  
Director of Function (Resources)/Section 151 Officer,  
Director of Social Services,  
Director of Education, Skills and Young People,  
Head of Profession – Human Resources and Transformation,  
Head of Democratic Services,  
Legal Services Manager (RJ) (for item 14),  
Senior Human Resources Officer (CW) (for item 14),  
Committee Officer (MEH).

**ALSO PRESENT:** None

**APOLOGIES:** Councillors Richard A Dew, R Meirion Jones, Dylan Rees, Shaun Redmond.

**1. MINUTES**

The minutes of the meeting held on 10 December, 2019 were confirmed as correct.

**2. DECLARATION OF INTEREST**

The Strategic Leadership Team declared an interest in Item 14 – Pay Policy Statement and were not present at the meeting during any discussion or voting thereon.

**3. TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRPERSON, LEADER OF THE COUNCIL OR THE CHIEF EXECUTIVE**

The Chair made the following announcements:-

- Congratulations to the Leader of the Council, Councillor Llinos M Huws who has been named on the 100 Welsh Women's list;

- Congratulations to Gruffydd Wyn from Amlwch on winning the Cân i Gymru competition on 29<sup>th</sup> February, 2020;
- Congratulations to the members of the Rhosybol Young Farmers Club on winning the Welsh Drama Competition at the Galeri in Caernarfon recently.
- The Chair expressed her appreciation to the staff of the Council and especially the Highways Service during the adverse weather conditions recently.
- The Council's project to rejuvenate the Market Hall, Holyhead has been nominated for three national awards.

The Chair wished to remind the Members that the Chairman's Charitable Concert is to be held at the Breeze Hill Hotel, Benllech on Friday, 27 March, 2020 at 7.00 p.m.

\* \* \* \*

Condolences were extended to any Member of the Council or staff who had suffered bereavement.

Members and Officers stood in silent tribute as a mark of their respect and sympathy.

#### **4. PRESENTATION OF PETITIONS**

None received.

#### **5. NOTICE OF MOTION PURSUANT TO RULE 4.1.13.1 OF THE CONSTITUTION**

Submitted – the following Notice of Motion by Councillor J Arwel Roberts:-

In April 2019, the Welsh Government Minister for the Environment, Energy and Rural Affairs, Lesley Griffiths AM declared a climate emergency in Wales.

Gwynedd County Council have already followed WAG and declared along with other authorities to follow the same footpath.

*'I call on this Council to follow suit and signup to the commitment to achieve a Carbon Neutral Public Sector by 2030. We must recognise that this Council cannot continue with business as usual and prepare an action plan which can be monitored and implemented.*

*We need to stop investing in fossil fuels, use our local planning policies to accelerate the delivery of net zero carbon developments and communities.*

*We are in a position to make a difference for the sake of future generations, and we have a moral duty to act.'*

The Leader of the Council requested that the Notice of Motion be deferred to the next meeting of the full Council to be held on 19<sup>th</sup> May, 2020 so as to allow for a full Action Plan to be prepared on Carbon Neutral expectations within the Council.

Councillor J Arwel Roberts agreed to withdraw his Notice of Motion and resubmit to the next ordinary meeting of the Council.

**6. TREASURY MANAGEMENT MID-YEAR REVIEW 2019/20**

The report of the Director of Function (Resources)/Section 151 as presented to the Executive on 16 December, 2019 was presented for the Council's acceptance.

**It was RESOLVED to accept the Treasury Management Mid-Year Review Report 2019/20.**

**7. TREASURY MANAGEMENT STRATEGY STATEMENT 2020/21**

The report of the Director of Function (Resources)/Section 151 Officer as presented to the Executive on 2 March, 2020 was presented for the Council's acceptance.

**It was RESOLVED to approve the Treasury Management Strategy Statement 2020/21.**

**8. TREASURY MANAGEMENT PRACTICES**

The report of the Director of Function (Resources)/Section 151 Officer as presented to the Executive on 2 March, 2020 was presented for the Council's acceptance.

**It was RESOLVED to approve the Treasury Management Practices.**

**9. CAPITAL STRATEGY AND CAPITAL PROGRAMME 2021 TO 2022/23**

The report of the Director of Function (Resources)/Section 151 Officer as presented to the Executive on 2 March, 2020 was presented for the Council's acceptance.

**It was RESOLVED to approve the Capital Strategy and Capital Programme 2021 to 2022/23.**

**10. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2020/21**

The report of the Director of Function (Resources)/Section 151 Officer as presented to the Executive on 2 March, 2020 was presented for the Council's acceptance.

The Portfolio Holder for Finance presented the Executive's proposals for the Revenue Budget and resulting Council Tax for 2020/21, the Council's updated Medium Term Financial Strategy and the use of any one-off funds to support the budget – items 10 (a) to (ch) within the Agenda. He said that whilst welcoming the additional funding made available as part of the 2020/21 revenue settlement the financial outlook remains challenging and he found it difficult to comprehend how the funding formula by Welsh Government is applied given noticeable variations in the increases of funding councils in Wales have received. This Council's settlement has increased by 3.8%. He referred to the public consultation on the draft revenue budget proposals and noted that there was a majority in favour of investing in Adult's Services due to increase demand and protecting school budgets but there

was less support for a Council Tax increase of between 4.5% and 5%. After taking into account the final settlement figure, the revised standstill budget requirement of £142.146m is required for 2020/21; this figure allows the Authority to apply a more realistic budget with the demand within the Adult's Services and other services within the Council and it is hoped that setting such a budgetary requirement these services will not overspend during the financial year. It was recommended therefore that the Council Tax be increased by 4.5% so as to balance the budget of the Council. The Portfolio Holder said that the average Council Tax for each household will see an increase of £1.08 per week but he said that this Council remains the second lowest council tax rate in North Wales.

He recommended the Executive's recommendations to the Council at its meeting held on 2 March, 2020 in respect of item (a) to (ch) within the report. He further noted that the Executive recommends to the Council that the increased car parking fees for town sites which shall remain unchanged apart from the 50p rate which shall be abolished making £1 the minimum payment. He noted that no amendments to the budget had been received.

The Anglesey Independents/Annibynnwyr Môn said that the Council has assets that have been empty for a considerable time needs to be put on the market so as to increase income for the Authority. It was further expressed that continued increase in residents Council Tax is unsustainable for people on low income. The Portfolio Holder for Finance said that the Authority has assets which are empty at present but the Council has a duty to seek the best prices for the building and it would not be feasible to flood the market place with these sites at the same time. The Portfolio Holder for Finance also reminded members that capital receipts on the sale of assets are not available to be included in the revenue budget. He referred to the comments as regards to increasing the Council Tax and reiterated that if this Authority's has the second lowest council tax in North Wales and if this Authority had been afforded a Welsh Government settlement as it's neighbouring authority the Council tax increase would have been lower.

In the ensuing vote, it was **RESOLVED:-**

- **To accept the budget proposals and the Medium Term Financial Strategy as presented for 2020/21 with the amendment that increase in car parking fees for town sites which shall remain unchanged apart from the 50p rate which shall be abolished making £1 the minimum payment;**
- **To accept the draft Council Tax Resolution as (c) in the Agenda:-**
  1. (a) Pursuant to the recommendations of the Executive, to adopt the 2020/21 Budget at Section 8, as a Budget Strategy within the meaning given by the Constitution, and to affirm that it becomes part of the budget framework with the exception of figures described as current.
  - (b) Pursuant to the recommendations of the Executive, to adopt a revenue budget for 2020/21 as shown at Table 4, Section 8 of the 2020/21 Budget Report Appendix 1 and Appendix 3.
  - (c) Pursuant to the recommendations of the Executive, to adopt a capital budget as shown in the Capital Budget Report 2020/21 report.

- (ch) To delegate to the Director of Function (Resources)/Section 151 Officer the power to make adjustments between headings in the Final Budget Proposal 2020/21 at Appendix 3 in order to give effect to the Council's decisions. In addition, to delegate to Director of Function (Resources)/Section 151 Officer the power to transfer up to £50k per item from the general contingency. Any item in excess of £50k will require the approval of the Executive before any transfer from the general contingency is made.
  - (d) To delegate to the Executive, for the financial year 2020/21, the powers to transfer budgets between headings as follows:-
    - (i) unlimited powers to spend each budget heading in Appendix 3 Final Budget Proposal 2020/21 against the name of each service, on the service to which it relates;
    - (ii) powers to approve the use of service and earmarked reserves to fund one-off spending proposals that contribute to the delivery of the Council's objectives and improve services;
    - (iii) powers to vire from new or increased sources of income.
  - (dd) To delegate to the Executive, in respect of the financial year 2020/21 and on the advice of the Director of Function (Resources)/Section 151 Officer the power to release up to £250k from general balances to deal with priorities arising during the year.
  - (e) To delegate to the Executive in respect of the period to 31 March 2021, the following powers:-
    - (i) powers to make new commitments from future years' revenue budgets up to amount identified under New Priorities in the Medium Term Financial Plan;
    - (ii) the power and the duty to make plans for achievement of revenue budget savings implied by the Medium Term Financial Plan;
    - (iii) powers to transfer budgets between capital projects in the Capital Budget Report 2020/21 report and to commit resources in following years and consistent with the budget framework.
  - (f) To set and approve the prudential and treasury indicators which are estimates and limits for 2020/21 and onwards as shown in the report on the Treasury Management Strategy Statement 2020/21.
  - (ff) To approve the Treasury Management Strategy Statement for 2020/21 and the Capital Strategy 2020/21.
  - (g) To confirm that items 1(b) to (ff) become part of the budget framework.
2. **RESOLVED** to adopt and affirm for the purposes of the financial year 2020/21 the decision of the County Council on 10 March 1998 to set the discount level applicable to the prescribed Class A and prescribed Class B of dwellings under Section 12 of the Local Government Finance Act 1992 (as amended), as described by the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998, as follows:-

|                    |              |
|--------------------|--------------|
| Prescribed Class A | Nil Discount |
| Prescribed Class B | Nil Discount |

3. **RESOLVED** to adopt and affirm for the purposes of the financial year 2020/21 the decision of the County Council on 6 March 2007 to set the discount level applicable to the prescribed Class C of dwellings under Section 12 of the Local Government Finance Act 1992 (as amended), as described by the Local Authorities (Calculation of Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 as follows:-

Prescribed Class C            Nil Discount

4. **RESOLVED** to disapply any discount(s) granted to long-term empty dwellings and dwelling occupied periodically (usually known as second homes) and to vary the full Council's decision made on 28 February 2018 and apply for the financial year 2020/21 a higher amount of Council Tax (called a Council Tax Premium) of 100% of the standard rate of Council Tax for long-term empty dwellings and for dwellings occupied periodically (usually known as second homes) to apply a higher amount of Council Tax (called a Council tax Premium) of 35% under Sections 12A and 12B of the Local Government Finance Act 1992 as inserted by Section 139 of the Housing (Wales) Act 2014.
5. That it be noted that at its meeting on 28 February 1996 the Council resolved not to treat any expenses incurred by the Council in part of its area or in meeting any levy or special levy as special expenses and that the resolutions remain in force until expressly rescinded.
6. That it is noted that a resolution of the Executive on 25 November 2019 approved the amount calculated by the Isle of Anglesey County Council for its council tax base for 2020/21 and to further note that the full Council in its meeting on the 11 December 2018 approved that the local Council Tax Reduction Scheme will continue unchanged for subsequent years unless substantially amended. It is also noted that the full Council on 28 February 2018 adopted and approved a local Council Tax Discretionary Policy under Section 13A of the Local Government Finance Act 1992, delegating to the Executive the power to revoke, re-enact and/or amend the Policy. The Executive having last amended the Policy on 26 November 2018.
7. At its meeting on 25 November 2019, the Executive, in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base)(Wales) Regulations 1995 (SI1995/2561) as amended by SI1999/2935 and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings)(Wales) Amendment) Regulations 2004 and the Local Authority (Calculation of Taxbase) (Wales) (Amendment) Regulations 2016 resolved to approve the amounts calculated by the Isle of Anglesey County Council as its tax base and for the parts of the area, for the year 2020/21, as follows:-
- a) **31,532.53** being the amount approved by the Executive as the Isle of Anglesey County Council's council tax base for the year.
- b) The parts of the Council's area, being the amounts calculated by the Executive as the amounts of the Isle of Anglesey County Council's council tax base for the year for dwellings in those parts of its area to which one or more special items relate, are as follows:-

| Community/Town Council Areas | Tax Base 2020/21 |
|------------------------------|------------------|
| Amlwch                       | 1,495.67         |
| Beaumaris                    | 1,082.64         |
| Holyhead                     | 3,967.89         |
| Llangefni                    | 1,990.72         |
| Menai Bridge                 | 1,440.67         |
| Llanddaniel-fab              | 397.03           |
| Llanddona                    | 378.63           |
| Cwm Cadnant                  | 1,150.29         |
| Llanfair Pwllgwyngyll        | 1,325.03         |

| <b>Community/Town Council Areas</b> | <b>Tax Base<br/>2020/21</b> |
|-------------------------------------|-----------------------------|
| Llanfihangel Ysgeifiog              | 691.10                      |
| Bodorgan                            | 470.32                      |
| Llangoed                            | 656.53                      |
| Llangristiolus & Cerrig Ceinwen     | 636.43                      |
| Llanidan                            | 418.06                      |
| Rhosyr                              | 1,030.96                    |
| Penmynydd                           | 244.02                      |
| Pentraeth                           | 587.83                      |
| Moelfre                             | 628.73                      |
| Llanbadrig                          | 701.83                      |
| Llanddyfnan                         | 511.77                      |
| Llaneilian                          | 578.69                      |
| Llanerch-y-medd                     | 530.09                      |
| Llaneugrad                          | 187.19                      |
| Llanfair Mathafarn Eithaf           | 1,874.32                    |
| Cylch y Garn                        | 409.69                      |
| Mechell                             | 554.88                      |
| Rhos-y-bol                          | 481.07                      |
| Aberffraw                           | 303.31                      |
| Bodedern                            | 422.10                      |
| Bodffordd                           | 419.32                      |
| Trearddur                           | 1,277.31                    |
| Tref Alaw                           | 263.66                      |
| Llanfachraeth                       | 229.19                      |
| Llanfaelog                          | 1,277.95                    |
| Llanfaethlu                         | 279.75                      |
| Llanfair-yn-Neubwll                 | 564.91                      |
| Valley                              | 988.73                      |
| Bryngwran                           | 363.51                      |
| Rhoscolyn                           | 357.81                      |
| Trewalchmai                         | 362.90                      |
| <b>Total Taxbase</b>                | <b>31,532.53</b>            |

8. That the following amounts be now calculated by the Council for the year 2020/21, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- a) £200,207,025 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act.
  - b) £56,580,850 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
  - c) £143,626,175 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
  - ch) £101,004,872 being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant and specific grant,

reduced by any amount calculated in accordance with Section 33(3) of the Act.

- d) £ 1,351.66 being the amount at 8(c) above less the amount at 8(ch) above, all divided by the amount at 7(a) above, calculated by the Executive, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year.
- dd) £ 1,479,865 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- e) £ 1,304.73 being the amount at 8(d) above less the result given by dividing the amount at 8(dd) above by the amount at 7(a) above, calculated by the Executive, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.

|                                 |   | <b>Band D equivalent per area including Isle of Anglesey Council and Community/Town Council elements</b> |
|---------------------------------|---|--|
| Amlwch                          | £ | 1,370.97   |
| Beaumaris                       | £ | 1,331.82   |
| Holyhead                        | £ | 1,433.16   |
| Llangefni                       | £ | 1,392.66   |
| Menai Bridge                    | £ | 1,372.05   |
| Llanddaniel-fab                 | £ | 1,327.95   |
| Llanddona                       | £ | 1,323.00   |
| Cwm Cadnant                     | £ | 1,332.09   |
| Llanfair Pwllgwyngyll           | £ | 1,340.91   |
| Llanfihangel Ysgeifiog          | £ | 1,331.82   |
| Bodorgan                        | £ | 1,329.12   |
| Llangoed                        | £ | 1,322.55   |
| Llangristiolus & Cerrig Ceinwen | £ | 1,317.24   |
| Llanidan                        | £ | 1,333.53   |
| Rhosyr                          | £ | 1,330.29   |
| Penmynydd                       | £ | 1,335.42   |
| Pentraeth                       | £ | 1,326.78   |
| Moelfre                         | £ | 1,323.00   |
| Llanbadrig                      | £ | 1,343.88   |
| Llanddyfnan                     | £ | 1,323.27   |
| Llaneilian                      | £ | 1,327.23   |
| Llanerch-y-medd                 | £ | 1,337.67   |
| Llaneugrad                      | £ | 1,326.06   |
| Llanfair Mathafarn Eithaf       | £ | 1,333.62   |
| Cylch y Garn                    | £ | 1,321.74   |
| Mechell                         | £ | 1,322.73   |
| Rhos-y-bol                      | £ | 1,321.29   |
| Aberffraw                       | £ | 1,326.15   |
| Bodedern                        | £ | 1,337.85   |



|                     |   |          |
|---------------------|---|----------|
| Bodffordd           | £ | 1,330.92 |
| Trearddur           | £ | 1,332.90 |
| Tref Alaw           | £ | 1,330.29 |
| Llanfachraeth       | £ | 1,339.92 |
| Llanfaelog          | £ | 1,335.96 |
| Llanfaethlu         | £ | 1,325.25 |
| Llanfair-yn-Neubwll | £ | 1,334.79 |
| Valley              | £ | 1,339.02 |
| Bryngwran           | £ | 1,334.97 |
| Rhoscolyn           | £ | 1,315.89 |
| Trewalchmai         | £ | 1,328.13 |

being the amount given by adding to the amount at 8(e) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 8(b) above, calculated by the Executive in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one of more special items relate.

### Valuation Bands

|                                 |   | Council Tax per Band, per Area, which includes the Isle of Anglesey County Council and Community/Town Council elements/precepts |          |          |          |          |          |          |          |          |
|---------------------------------|---|---|----------|----------|----------|----------|----------|----------|----------|----------|
|                                 |   | A   | B        | C        | D        | E        | F        | G        | H        | I        |
| Amlwch                          | £ | 913.98  | 1,066.31 | 1,218.64 | 1,370.97 | 1,675.63 | 1,980.29 | 2,284.95 | 2,741.94 | 3,198.93 |
| Beaumaris                       | £ | 887.88  | 1,035.86 | 1,183.84 | 1,331.82 | 1,627.78 | 1,923.74 | 2,219.70 | 2,663.64 | 3,107.58 |
| Holyhead                        | £ | 955.44  | 1,114.68 | 1,273.92 | 1,433.16 | 1,751.64 | 2,070.12 | 2,388.60 | 2,866.32 | 3,344.04 |
| Llangefni                       | £ | 928.44  | 1,083.18 | 1,237.92 | 1,392.66 | 1,702.14 | 2,011.62 | 2,321.10 | 2,785.32 | 3,249.54 |
| Menai Bridge                    | £ | 914.70  | 1,067.15 | 1,219.60 | 1,372.05 | 1,676.95 | 1,981.85 | 2,286.75 | 2,744.10 | 3,201.45 |
| Llanddaniel-fab                 | £ | 885.30  | 1,032.85 | 1,180.40 | 1,327.95 | 1,623.05 | 1,918.15 | 2,213.25 | 2,655.90 | 3,098.55 |
| Llanddona                       | £ | 882.00  | 1,029.00 | 1,176.00 | 1,323.00 | 1,617.00 | 1,911.00 | 2,205.00 | 2,646.00 | 3,087.00 |
| Cwm Cadnant                     | £ | 888.06  | 1,036.07 | 1,184.08 | 1,332.09 | 1,628.11 | 1,924.13 | 2,220.15 | 2,664.18 | 3,108.21 |
| Llanfair Pwllgwyngyll           | £ | 893.94  | 1,042.93 | 1,191.92 | 1,340.91 | 1,638.89 | 1,936.87 | 2,234.85 | 2,681.82 | 3,128.79 |
| Llanfihangel Ysgeifiog          | £ | 887.88  | 1,035.86 | 1,183.84 | 1,331.82 | 1,627.78 | 1,923.74 | 2,219.70 | 2,663.64 | 3,107.58 |
| Bodorgan                        | £ | 886.08  | 1,033.76 | 1,181.44 | 1,329.12 | 1,624.48 | 1,919.84 | 2,215.20 | 2,658.24 | 3,101.28 |
| Llangoed                        | £ | 881.70  | 1,028.65 | 1,175.60 | 1,322.55 | 1,616.45 | 1,910.35 | 2,204.25 | 2,645.10 | 3,085.95 |
| Llangristiolus & Cerrig Ceinwen | £ | 878.16  | 1,024.52 | 1,170.88 | 1,317.24 | 1,609.96 | 1,902.68 | 2,195.40 | 2,634.48 | 3,073.56 |
| Llanidan                        | £ | 889.02  | 1,037.19 | 1,185.36 | 1,333.53 | 1,629.87 | 1,926.21 | 2,222.55 | 2,667.06 | 3,111.57 |
| Rhosyr                          | £ | 886.86  | 1,034.67 | 1,182.48 | 1,330.29 | 1,625.91 | 1,921.53 | 2,217.15 | 2,660.58 | 3,104.01 |
| Penmynydd                       | £ | 890.28  | 1,038.66 | 1,187.04 | 1,335.42 | 1,632.18 | 1,928.94 | 2,225.70 | 2,670.84 | 3,115.98 |
| Pentraeth                       | £ | 884.52  | 1,031.94 | 1,179.36 | 1,326.78 | 1,621.62 | 1,916.46 | 2,211.30 | 2,653.56 | 3,095.82 |
| Moelfre                         | £ | 882.00  | 1,029.00 | 1,176.00 | 1,323.00 | 1,617.00 | 1,911.00 | 2,205.00 | 2,646.00 | 3,087.00 |
| Llanbadrig                      | £ | 895.92  | 1,045.24 | 1,194.56 | 1,343.88 | 1,642.52 | 1,941.16 | 2,239.80 | 2,687.76 | 3,135.72 |
| Llanddyfnan                     | £ | 882.18  | 1,029.21 | 1,176.24 | 1,323.27 | 1,617.33 | 1,911.39 | 2,205.45 | 2,646.54 | 3,087.63 |
| Llaneilian                      | £ | 884.82  | 1,032.29 | 1,179.76 | 1,327.23 | 1,622.17 | 1,917.11 | 2,212.05 | 2,654.46 | 3,096.87 |
| Llanerch-y-medd                 | £ | 891.78  | 1,040.41 | 1,189.04 | 1,337.67 | 1,634.93 | 1,932.19 | 2,229.45 | 2,675.34 | 3,121.23 |
| Llaneugrad                      | £ | 884.04  | 1,031.38 | 1,178.72 | 1,326.06 | 1,620.74 | 1,915.42 | 2,210.10 | 2,652.12 | 3,094.14 |

|                           |   | Council Tax per Band, per Area, which includes the Isle of Anglesey County Council and Community/Town Council elements/precepts |          |          |          |          |          |          |          |          |
|---------------------------|---|---|----------|----------|----------|----------|----------|----------|----------|----------|
|                           |   | A   | B        | C        | D        | E        | F        | G        | H        | I        |
| Llanfair Mathafarn Eithaf | £ | 889.08  | 1,037.26 | 1,185.44 | 1,333.62 | 1,629.98 | 1,926.34 | 2,222.70 | 2,667.24 | 3,111.78 |
| Cylch y Garn              | £ | 881.16  | 1,028.02 | 1,174.88 | 1,321.74 | 1,615.46 | 1,909.18 | 2,202.90 | 2,643.48 | 3,084.06 |
| Mechell                   | £ | 881.82  | 1,028.79 | 1,175.76 | 1,322.73 | 1,616.67 | 1,910.61 | 2,204.55 | 2,645.46 | 3,086.37 |
| Rhos-y-bol                | £ | 880.86  | 1,027.67 | 1,174.48 | 1,321.29 | 1,614.91 | 1,908.53 | 2,202.15 | 2,642.58 | 3,083.01 |
| Aberffraw                 | £ | 884.10  | 1,031.45 | 1,178.80 | 1,326.15 | 1,620.85 | 1,915.55 | 2,210.25 | 2,652.30 | 3,094.35 |
| Bodedern                  | £ | 891.90  | 1,040.55 | 1,189.20 | 1,337.85 | 1,635.15 | 1,932.45 | 2,229.75 | 2,675.70 | 3,121.65 |
| Bodffordd                 | £ | 887.28  | 1,035.16 | 1,183.04 | 1,330.92 | 1,626.68 | 1,922.44 | 2,218.20 | 2,661.84 | 3,105.48 |
| Trearddur                 | £ | 888.60  | 1,036.70 | 1,184.80 | 1,332.90 | 1,629.10 | 1,925.30 | 2,221.50 | 2,665.80 | 3,110.10 |
| Tref Alaw                 | £ | 886.86  | 1,034.67 | 1,182.48 | 1,330.29 | 1,625.91 | 1,921.53 | 2,217.15 | 2,660.58 | 3,104.01 |
| Llanfachraeth             | £ | 893.28  | 1,042.16 | 1,191.04 | 1,339.92 | 1,637.68 | 1,935.44 | 2,233.20 | 2,679.84 | 3,126.48 |
| Llanfaelog                | £ | 890.64  | 1,039.08 | 1,187.52 | 1,335.96 | 1,632.84 | 1,929.72 | 2,226.60 | 2,671.92 | 3,117.24 |
| Llanfaethlu               | £ | 883.50  | 1,030.75 | 1,178.00 | 1,325.25 | 1,619.75 | 1,914.25 | 2,208.75 | 2,650.50 | 3,092.25 |
| Llanfair-yn-Neubwll       | £ | 889.86  | 1,038.17 | 1,186.48 | 1,334.79 | 1,631.41 | 1,928.03 | 2,224.65 | 2,669.58 | 3,114.51 |
| Valley                    | £ | 892.68  | 1,041.46 | 1,190.24 | 1,339.02 | 1,636.58 | 1,934.14 | 2,231.70 | 2,678.04 | 3,124.38 |
| Bryngwran                 | £ | 889.98  | 1,038.31 | 1,186.64 | 1,334.97 | 1,631.63 | 1,928.29 | 2,224.95 | 2,669.94 | 3,114.93 |
| Rhoscolyn                 | £ | 877.26  | 1,023.47 | 1,169.68 | 1,315.89 | 1,608.31 | 1,900.73 | 2,193.15 | 2,631.78 | 3,070.41 |
| Trewalchmai               | £ | 885.42  | 1,032.99 | 1,180.56 | 1,328.13 | 1,623.27 | 1,918.41 | 2,213.55 | 2,656.26 | 3,098.97 |

being the amounts given by multiplying the amounts at 8(e) and 8(f) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Executive, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

9. That it be noted that for the year 2020/21, the Police and Crime Commissioner North Wales has stated the following amounts in a precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

| Precepting Authority                      |   | Valuation Bands |        |        |        |        |        |        |        |        |
|---|---|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|
|   |   | A               | B      | C      | D      | E      | F      | G      | H      | I      |
| Police and Crime Commissioner North Wales | £ | 193.74          | 226.03 | 258.32 | 290.61 | 355.19 | 419.77 | 484.35 | 581.22 | 678.09 |

10. That, having calculated the aggregate in each case of the amounts at 8(ff) and 9 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2016/17 for each of the categories of dwellings shown below:-

**Council Tax per Band, per Area, which includes the Isle of Anglesey County  
Council element, Community/Town Council Precepts and North Wales Police  
Precept**

|                                    |   | A        | B        | C        | D        | E        | F        | G        | H        | I        |
|------------------------------------|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Amlwch                             | £ | 1,107.72 | 1,292.34 | 1,476.96 | 1,661.58 | 2,030.82 | 2,400.06 | 2,769.30 | 3,323.16 | 3,877.02 |
| Beaumaris                          | £ | 1,081.62 | 1,261.89 | 1,442.16 | 1,622.43 | 1,982.97 | 2,343.51 | 2,704.05 | 3,244.86 | 3,785.67 |
| Holyhead                           | £ | 1,149.18 | 1,340.71 | 1,532.24 | 1,723.77 | 2,106.83 | 2,489.89 | 2,872.95 | 3,447.54 | 4,022.13 |
| Llangefni                          | £ | 1,122.18 | 1,309.21 | 1,496.24 | 1,683.27 | 2,057.33 | 2,431.39 | 2,805.45 | 3,366.54 | 3,927.63 |
| Menai Bridge                       | £ | 1,108.44 | 1,293.18 | 1,477.92 | 1,662.66 | 2,032.14 | 2,401.62 | 2,771.10 | 3,325.32 | 3,879.54 |
| Llanddaniel-fab                    | £ | 1,079.04 | 1,258.88 | 1,438.72 | 1,618.56 | 1,978.24 | 2,337.92 | 2,697.60 | 3,237.12 | 3,776.64 |
| Llanddona                          | £ | 1,075.74 | 1,255.03 | 1,434.32 | 1,613.61 | 1,972.19 | 2,330.77 | 2,689.35 | 3,227.22 | 3,765.09 |
| Cwm Cadnant                        | £ | 1,081.80 | 1,262.10 | 1,442.40 | 1,622.70 | 1,983.30 | 2,343.90 | 2,704.50 | 3,245.40 | 3,786.30 |
| Llanfair<br>Pwllgwyngyll           | £ | 1,087.68 | 1,268.96 | 1,450.24 | 1,631.52 | 1,994.08 | 2,356.64 | 2,719.20 | 3,263.04 | 3,806.88 |
| Llanfihangel<br>Ysgeifiog          | £ | 1,081.62 | 1,261.89 | 1,442.16 | 1,622.43 | 1,982.97 | 2,343.51 | 2,704.05 | 3,244.86 | 3,785.67 |
| Bodorgan                           | £ | 1,079.82 | 1,259.79 | 1,439.76 | 1,619.73 | 1,979.67 | 2,339.61 | 2,699.55 | 3,239.46 | 3,779.37 |
| Llangoed                           | £ | 1,075.44 | 1,254.68 | 1,433.92 | 1,613.16 | 1,971.64 | 2,330.12 | 2,688.60 | 3,226.32 | 3,764.04 |
| Llangristiolus &<br>Cerrig Ceinwen | £ | 1,071.90 | 1,250.55 | 1,429.20 | 1,607.85 | 1,965.15 | 2,322.45 | 2,679.75 | 3,215.70 | 3,751.65 |
| Llanidan                           | £ | 1,082.76 | 1,263.22 | 1,443.68 | 1,624.14 | 1,985.06 | 2,345.98 | 2,706.90 | 3,248.28 | 3,789.66 |
| Rhosyr                             | £ | 1,080.60 | 1,260.70 | 1,440.80 | 1,620.90 | 1,981.10 | 2,341.30 | 2,701.50 | 3,241.80 | 3,782.10 |
| Penmynydd                          | £ | 1,084.02 | 1,264.69 | 1,445.36 | 1,626.03 | 1,987.37 | 2,348.71 | 2,710.05 | 3,252.06 | 3,794.07 |
| Pentraeth                          | £ | 1,078.26 | 1,257.97 | 1,437.68 | 1,617.39 | 1,976.81 | 2,336.23 | 2,695.65 | 3,234.78 | 3,773.91 |
| Moelfre                            | £ | 1,075.74 | 1,255.03 | 1,434.32 | 1,613.61 | 1,972.19 | 2,330.77 | 2,689.35 | 3,227.22 | 3,765.09 |
| Llanbadrig                         | £ | 1,089.66 | 1,271.27 | 1,452.88 | 1,634.49 | 1,997.71 | 2,360.93 | 2,724.15 | 3,268.98 | 3,813.81 |
| Llanddyfnan                        | £ | 1,075.92 | 1,255.24 | 1,434.56 | 1,613.88 | 1,972.52 | 2,331.16 | 2,689.80 | 3,227.76 | 3,765.72 |
| Llaneilian                         | £ | 1,078.56 | 1,258.32 | 1,438.08 | 1,617.84 | 1,977.36 | 2,336.88 | 2,696.40 | 3,235.68 | 3,774.96 |
| Llanerch-y-<br>medd                | £ | 1,085.52 | 1,266.44 | 1,447.36 | 1,628.28 | 1,990.12 | 2,351.96 | 2,713.80 | 3,256.56 | 3,799.32 |
| Llaneugrad                         | £ | 1,077.78 | 1,257.41 | 1,437.04 | 1,616.67 | 1,975.93 | 2,335.19 | 2,694.45 | 3,233.34 | 3,772.23 |
| Llanfair<br>Mathafarn Eithaf       | £ | 1,082.82 | 1,263.29 | 1,443.76 | 1,624.23 | 1,985.17 | 2,346.11 | 2,707.05 | 3,248.46 | 3,789.87 |
| Cylch y Garn                       | £ | 1,074.90 | 1,254.05 | 1,433.20 | 1,612.35 | 1,970.65 | 2,328.95 | 2,687.25 | 3,224.70 | 3,762.15 |
| Mechell                            | £ | 1,075.56 | 1,254.82 | 1,434.08 | 1,613.34 | 1,971.86 | 2,330.38 | 2,688.90 | 3,226.68 | 3,764.46 |
| Rhos-y-bol                         | £ | 1,074.60 | 1,253.70 | 1,432.80 | 1,611.90 | 1,970.10 | 2,328.30 | 2,686.50 | 3,223.80 | 3,761.10 |
| Aberffraw                          | £ | 1,077.84 | 1,257.48 | 1,437.12 | 1,616.76 | 1,976.04 | 2,335.32 | 2,694.60 | 3,233.52 | 3,772.44 |
| Bodedern                           | £ | 1,085.64 | 1,266.58 | 1,447.52 | 1,628.46 | 1,990.34 | 2,352.22 | 2,714.10 | 3,256.92 | 3,799.74 |
| Bodffordd                          | £ | 1,081.02 | 1,261.19 | 1,441.36 | 1,621.53 | 1,981.87 | 2,342.21 | 2,702.55 | 3,243.06 | 3,783.57 |
| Trearddur                          | £ | 1,082.34 | 1,262.73 | 1,443.12 | 1,623.51 | 1,984.29 | 2,345.07 | 2,705.85 | 3,247.02 | 3,788.19 |
| Tref Alaw                          | £ | 1,080.60 | 1,260.70 | 1,440.80 | 1,620.90 | 1,981.10 | 2,341.30 | 2,701.50 | 3,241.80 | 3,782.10 |
| Llanfachraeth                      | £ | 1,087.02 | 1,268.19 | 1,449.36 | 1,630.53 | 1,992.87 | 2,355.21 | 2,717.55 | 3,261.06 | 3,804.57 |
| Llanfaelog                         | £ | 1,084.38 | 1,265.11 | 1,445.84 | 1,626.57 | 1,988.03 | 2,349.49 | 2,710.95 | 3,253.14 | 3,795.33 |
| Llanfaethlu                        | £ | 1,077.24 | 1,256.78 | 1,436.32 | 1,615.86 | 1,974.94 | 2,334.02 | 2,693.10 | 3,231.72 | 3,770.34 |
| Llanfair-yn-<br>Neubwll            | £ | 1,083.60 | 1,264.20 | 1,444.80 | 1,625.40 | 1,986.60 | 2,347.80 | 2,709.00 | 3,250.80 | 3,792.60 |
| Valley                             | £ | 1,086.42 | 1,267.49 | 1,448.56 | 1,629.63 | 1,991.77 | 2,353.91 | 2,716.05 | 3,259.26 | 3,802.47 |
| Bryngwran                          | £ | 1,083.72 | 1,264.34 | 1,444.96 | 1,625.58 | 1,986.82 | 2,348.06 | 2,709.30 | 3,251.16 | 3,793.02 |

|             |   |          |          |          |          |          |          |          |          |          |
|-------------|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Rhoscolyn   | £ | 1,071.00 | 1,249.50 | 1,428.00 | 1,606.50 | 1,963.50 | 2,320.50 | 2,677.50 | 3,213.00 | 3,748.50 |
| Trewalchmai | £ | 1,079.16 | 1,259.02 | 1,438.88 | 1,618.74 | 1,978.46 | 2,338.18 | 2,697.90 | 3,237.48 | 3,777.06 |

## 11. STRATEGIC EQUALITY PLAN 2020-2024

The report of the Head of Democratic Services as presented to the Executive on 17 February, 2020 was presented for the Council's acceptance.

**It was RESOLVED to approve the Strategic Equality Plan for 2020-2024.**

## 12. REVIEW OF POLLING DISTRICTS AND POLLING STATIONS

The report of the Head of Democratic Services as presented to the Executive on 31 January, 2020 was presented for the Council's acceptance.

**It was RESOLVED to approve the Review of Polling Districts and Polling Stations.**

## 13. AMENDMENTS TO THE COUNCIL'S CONSTITUTION TO REFLECT INTERNAL RE-STRUCTURING TO THE STAFFING MODEL

The report of the Director of Function (Council Business)/Monitoring Officer as presented to the Executive on 16 December, 2019 was presented for the Council's retrospective acceptance.

**It was RESOLVED to:-**

- **note the amendments and to agree the new structure as included within Enclosure 2 of the report which shows:-**
  - **a change in job titles and specifications to the Senior Leadership Team and Heads of Service roles;**
  - **the removal of two Assistant Chief Executive roles;**
  - **the insertion of one new Deputy Chief Executive role;**
  - **the removal of two Heads of Function roles;**
  - **the insertion of five new Director roles;**
  - **an amendment to the reporting lines between members of the Senior Leadership Team and Heads of Service.**
- **approve that Enclosure 2 within the report be inserted within the Council's Constitution;**
- **approve the changes in the delegation noted in Enclosure 3 of the report;**

- **approve any future Director appointments to be made by the Appointments Committee;**
- **approve for such other consequential amendments to be made to the Constitution to reflect the above recommendations.**

**14. PAY POLICY STATEMENT**

The report of the Head of Profession – Human Resources was presented to the Council by the Portfolio Holder for Corporate Business.

**It was RESOLVED to endorse the Council’s Pay Policy Statement for 2020/21.**

**COUNCILLOR MARGARET M ROBERTS  
CHAIR**

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| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b> |   |
|--|---|
| <b>MEETING:</b>                        | County Council  |
| <b>DATE:</b>                           | 8 September 2020  |
| <b>TITLE OF REPORT :</b>               | To provide an extension to the time limit under section 85 of the Local Government Act 1972   |
| <b>REPORT BY :</b>                     | Lynn Ball – Director of Function (Council Business) /<br>Monitoring Officer<br><a href="mailto:lbxcs@ynysmon.gov.uk">lbxcs@ynysmon.gov.uk</a>                 |
| <b>CONTACT OFFICER :</b>               | Lynn Ball – Director of Function (Council Business) /<br>Monitoring Officer<br><a href="mailto:lbxcs@ynysmon.gov.uk">lbxcs@ynysmon.gov.uk</a><br>01248 752586 |
| <b>PURPOSE OF REPORT :</b>             | To obtain Council’s prior approval to extending the time limit, within the legislative and constitutional requirements  |

Legislative / Constitutional background:

1. [Section 85\(1\) of the Local Government Act 1972](#) provides that if a member fails to attend a relevant council or committee meeting for a consecutive period of 6 months, the member automatically ceases to be an elected member and a by-election is triggered. This may be avoided if the absence is approved by council before the expiry of the 6 month period.
2. The statutory provision is also contained within [paragraph 4.1.23 of the Council’s Constitution](#),
3. The said disqualification cannot be overcome by a member subsequently resuming attendance, nor by retrospective approval.

Factual background:

4. As a result of the current Coronavirus pandemic, the Council is prioritising the delivery of key services to the public and accepts that democratic “business as usual” may not be possible. The [Coronavirus Act 2020](#) and the subsequent [Local Authorities \(Coronavirus\) \(Meetings\) \(Wales\) Regulations 2020](#) reduce the legal obligations on councils in relation to the conduct of meetings, whilst also permitting remote attendance by members when meetings are required. Against this background, the Council has reviewed its regular committee timetable, identifying minimum requirements, while acknowledging that more meetings will (and indeed already are) being held. Nevertheless, the Council continues to focus on delivery of its key services and the development of its procedures under the Welsh Government’s “Test, Track, Protect” project. The number of committee meetings possible will depend on how circumstances develop, including the capacity of staff and members. Even with “best endeavours”,

meetings may be less frequent, and more intermittent than usual, so the opportunities for members to “attend relevant meetings” (including by remote attendance) will also be fewer. This could easily lead to inadvertent breaches of the six month rule.

5. [The Local Authorities \(Coronavirus\) \(Meetings\) \(Wales\) Regulations 2020](#) include reference to the “six month rule”. Regulation 10 states that, for the purposes of calculating the six months, the period between the day when the Regulations come into force (22 April 2020) and the date of a relevant meeting, which the member could attend, (including by remote attendance) is to be disregarded. What this means is that “the clock” is paused for the period between 22 April 2020 and the first relevant meeting at which a member could attend. For these purposes, a relevant meeting is a formal council meeting, or a formal committee meeting, at which the individual is a named member.
  - When a member attends their first relevant meeting, the clock starts again and that member has a ‘new’ 6 month period from the date of that meeting.
  - However, if a member does not attend that meeting, their clock still resumes from the point at which it stopped on 21 April 2020 (before the Regulations came into force).
6. [The Local Authorities \(Coronavirus\) \(Meetings\) \(Wales\) Regulations 2020](#) provide for remote attendance by members at meetings; members will therefore be able to attend meetings via audio/video teleconferencing but the issue of meetings being conducted less frequently, and intermittently, remains.

#### The proposal:

7. As the circumstances described above are beyond the control of members, it is unfair that members may face an “accidental” disqualification.
8. The approval under the LGA 1972 has to be granted by Council prior to the expiry of the 6 month period, as it would apply to any individual member and it is currently unknown when the full range and frequency of Council meetings will be reinstated. Council is therefore being asked to make this decision now to limit the risk of any prejudicial outcome for any member.
9. As members are being asked to consider and vote in relation to a matter in which they have a prejudicial interest, a block dispensation has been granted by the Standards Committee on 29 July 2020. The application and decision can be viewed here.
10. The Welsh Minister has confirmed in correspondence to Leaders of County Councils dated 3<sup>rd</sup> April 2020 that “*the current arrangements would allow authorities to approve matters relating to the Covid-19 pandemic as an acceptable reason under section 85 to prevent councillors from being disqualified if they fail to attend meetings throughout a period of six consecutive months*”.

#### Other options:

11. In the absence of any new legislation, the only other option is to do nothing. In those circumstances, it is possible for members to face disqualification by virtue of their non-attendance under the “6 month rule”. If disqualification occurred:

11.1 a by-election would arise. There is a resource implication to this, both in financial terms and officer and member time; and



11.2 as there would be a delay to any by-election it would restrict the public's representation on the County Council. In addition to their corporate role, members will be continuing with their local responsibilities and have a key part to play in supporting their electorates and acting as a link between the County Council and the communities they represent.

12. The purpose of section 85 of the Local Government Act 1972 was not to penalise members in these circumstances, (indeed, such circumstances were not envisaged when the legislation was drafted). It is a mechanism for ensuring members regularly attend and participate in council business in ordinary circumstances. It would not be reasonable to penalise members for failing to attend sufficient/timely meetings when such opportunities are, and may continue to be, restricted.

13. It is pragmatic and reasonable, on the facts and the relevant legislation, for members to be provided with additional time under Section 85.

### **RECOMMENDATIONS**

14. The Council agrees, in accordance with the Welsh Minister's letter dated 3<sup>rd</sup> April 2020, to accept the current pandemic, and the circumstances as described in this report as satisfactory reasons for non-compliance by any member with the provision in Section 85 of the Local Government Act 1972.

15. Subject to agreeing the principle in paragraph 14 above, where necessary, the Council extends the provisions in Section 85 by an additional six months (thus resulting in each member named in **Appendix A** having a total of twelve months from the date of their last attendance at a relevant meeting to comply with statutory attendance requirements).

16. Any member who considers they are at risk of failing to attend a relevant meeting within the original six months and the additional six months (granted under paragraph 15 above) should contact the Monitoring Officer so that an application can be made to full Council for an additional extension. Such application must be considered by Council before the expiry of the additional six months; members are therefore encouraged to monitor their attendance to ensure compliance.

## Appendix A:

|     |                                     |
|-----|-------------------------------------|
| 1.  | Councillor Lewis Davies             |
| 2.  | Councillor Richard A Dew            |
| 3.  | Councillor John Griffith            |
| 4.  | Councillor Richard Griffiths        |
| 5.  | Councillor Glyn Haynes              |
| 6.  | Councillor Kenneth P Hughes         |
| 7.  | Councillor Trefor Lloyd Hughes MBE  |
| 8.  | Councillor Vaughan Hughes           |
| 9.  | Councillor Llinos Medi Huws         |
| 10. | Councillor Aled Morris Jones        |
| 11. | Councillor Carwyn Jones             |
| 12. | Councillor Eric Wyn Jones           |
| 13. | Councillor Richard Owain Jones      |
| 14. | Councillor Gwilym O Jones           |
| 15. | Councillor Robert Llewelyn Jones    |
| 16. | Councillor R Meirion Jones          |
| 17. | Councillor Alun Mummery             |
| 18. | Councillor Bryan Owen               |
| 19. | Councillor Robert G Parry OBE FRAGS |
| 20. | Councillor Dylan Rees               |
| 21. | Councillor Alun Roberts             |
| 22. | Councillor Dafydd Roberts           |
| 23. | Councillor J Arwel Roberts          |
| 24. | Councillor Margaret Murley Roberts  |
| 25. | Councillor Nicola Roberts           |
| 26. | Councillor Peter S Rogers           |
| 27. | Councillor Dafydd Rhys Thomas       |
| 28. | Councillor Ieuan Williams           |
| 29. | Councillor Robin Wyn Williams       |

| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>   |  |
|--|--|
| <b>Report to:</b>                        | <b>Corporate Scrutiny Committee, Partnership and Regeneration Scrutiny Committee, Executive and full Council</b> |
| <b>Date:</b>                             | <b>09.03.2020 / 11.03.2020 / 23.03.2020 / 08.09.2020</b>   |
| <b>Subject:</b>                          | <b>Public Speaking Protocol for Scrutiny</b>   |
| <b>Portfolio Holder(s):</b>              | <b>Councillor Dafydd Rhys Thomas<br/>Corporate Business Portfolio Holder</b>                                     |
| <b>Head of Service:</b>                  | <b>Lynn Ball<br/>Director of Function (Council Business) / Monitoring Officer</b>                                |
| <b>Report Author:</b><br>Tel:<br>E-mail: | <b>Mared Yaxley</b><br><b>01248 752566</b><br><a href="mailto:mwyics@ynysmon.gov.uk">mwyics@ynysmon.gov.uk</a>   |
| <b>Local Members:</b>                    | <b>Not a ward specific matter</b>  |

| <b>A –Recommendation/s and reason/s</b>   |
|---|
| <p><u>Purpose of the report:</u></p> <ol style="list-style-type: none"> <li>To seek the views of the Scrutiny Committees and Executive, prior to Council resolution on whether or not to adopt the Public Speaking at Scrutiny Protocol attached at <b>Appendix 1</b> to this report.</li> </ol> <p><u>Background:</u></p> <ol style="list-style-type: none"> <li>In accordance with section 62 of the Local Government (Wales) Measure 2011, County Councils must ensure that those who live or work in their area are able to contribute their views on any matter that is to be considered by a Scrutiny Committee.</li> <li>The Isle of Anglesey County Council (IOACC) is committed to this principle. Whilst there are already arrangements for public participation in the work of the Scrutiny Committees, the aim of introducing the Public Speaking Protocol is to provide the public with a clear and accessible process for making their views known to the Scrutiny Committees as part of their deliberations .</li> <li>The current arrangement for public speaking at Scrutiny Committee meetings is not set out transparently in a simple document. The introduction of the Public Speaking Protocol will assist the public to understand the process that needs to be followed and will ensure that a consistent process is adopted, which manages the public’s expectations in relation to their contribution.</li> </ol> |

General:

5. Officers will undertake the administrative work under the Protocol.
6. Recent legislative developments have emphasised a legal requirement to listen to the voice of the public and that public involvement is imperative when Councils are making decisions.

6.1 Under the Local Government and Elections (Wales) Bill (published on 18/11/2019) which is anticipated to receive Royal Assent during the Summer of 2020, section 46 includes a duty to encourage local people to participate in local government. Paragraph 46(1) details: “A principal council must **encourage local people to participate in the making of decisions by the council** (including the making of decisions in partnership or in conjunction with any other person).” (my emphasis).

6.2 Section 47 of the Bill outlines a duty for Councils to prepare a “participation strategy” with the aim of making it easier for members of the public to understand how local government functions, how it makes decisions and **how local people can** follow proceedings, **input their views**, and have them taken into account” (my emphasis – WLGA paper on the Bill). Paragraph 47(2)(e) details: “A public participation strategy must, in particular, address arrangements made, or to be made, for the purpose of the council’s duty in section 62 of the 2011 Measure (bringing views of the public to attention of overview and scrutiny committees)”.

6.3 In addition, under the Well-being of Future Generations (Wales) Act 2015, there is a requirement to consider the importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of the area which the body serves.

The adoption of a Public Speaking Protocol for Scrutiny would go some way to achieving these statutory objectives.

7. The Protocol will be published on the Council’s website and can be shared on social media.

Protocol details:

8. The Protocol details:

8.1. Members of the public can request to speak at a Scrutiny Committee meeting if they have submitted a written request to the Scrutiny Officer at least 3 working days prior to the Committee meeting. The written request must be made using the relevant form from the Council’s website and electronic submissions are encouraged. Applications will be dealt with in the order they are received. All those who have qualified to speak will be notified via email or through their contact telephone number.

8.2. The number of speakers are to be limited so that only one person from each group or party, where each group or party has a different perspective on an

item, to address the meeting. Only in exceptional cases will the Chairperson allow a second/third speaker with the same perspective to speak; such discretion will be exercised in consultation with the Scrutiny Officer and the Monitoring Officer.

8.3. The right of the public to speak applies to all items on the agenda with the exception of the following: Apologies; Declarations of Interest; Minutes; and items on the Agenda which have been declared as not for publication (in accordance with the Public Interest Test). When exempt items are under consideration by Scrutiny the Chairperson will ask all members of the press and public to vacate the meeting room.

8.4. The right does not include the right to ask any questions of any IOACC member, officer of the Council, invited attendees or any other speaker.

8.5. In order for members to give full consideration to any points made, speakers must provide any supporting information/documentation they intend to refer to in their presentations when registering to speak. No additional information / documentation may be produced at the meeting itself. The draft Protocol addresses the issue of suitability of any material produced.

8.6. Each speaker will be given five minutes to make their oral contribution in relation to an agenda item. Only in exceptional circumstances will the Chairperson allow speakers a little more time and if this is allowed for one individual, all individuals in relation to the same agenda item will be allowed the same amount of additional time.

8.7. The Chairperson has the discretion to stop a speaker before their allotted time has concluded if, in the Chair's view, the speaker is behaving improperly, offensively, trying to prevent the Committee from doing its work or makes comments which are defamatory, vexatious, discriminatory or offensive.

8.8. Speakers may be asked to clarify any of the comments they make and may be asked questions by members. Speakers must not enter into debate with the members of the Committee.

8.9. The Committee will consider the comments made by the speaker and thereafter determine whether to make any recommendations arising from those comments/issues raised.

#### Recommendations:

9. For the Scrutiny Committees to agree to adopt the Protocol at **Appendix 1** to this report, subject to formal approval of the Council;

10. For the Executive to recommend whether or not the Protocol at **Appendix 1** be adopted and, if so, to recommend its inclusion in the Council's Constitution

11. For the Council to adopt the Protocol and agree that the Constitution be amended to include the Public Speaking at Scrutiny Protocol (as it appears in **Appendix 1**),

subject to paragraph 12 and 13.

12. The Public Speaking at Scrutiny Protocol will be implemented on a date to be decided by the Chief Executive, following consultation with Group Leaders.

13. The Director of Function (Council Business) / Monitoring Officer is delegated to make any technical / practical changes to the Public Speaking at Scrutiny Protocol (but not the principles and timescales currently noted in **Appendix 1**, which require an Executive decision).

**B – What other options did you consider and why did you reject them and/or opt for this option?**

The Council may decide to maintain the status quo i.e. public speakers at the Chairperson’s discretion with no published/documented procedure. However, the adoption of a Public Speaking Protocol for Scrutiny will provide awareness and guidance for the public and enable, and encourage, public participation and engagement with the Council’s decision making process.

**C – Why is this a decision for the Executive?**

Paragraph 2.15.2.1 of the Constitution stipulates that “*Changes to the Constitution will only be approved by the full Council after consideration of the proposal by the Executive...*”.

The Executive resolved to recommend that full Council adopt the Public Speaking Protocol at its meeting on 23 March 2020.

**CH – Is this decision consistent with policy approved by the full Council?**

N/A

**D – Is this decision within the budget approved by the Council?**

Has no budgetary implications

| <b>DD – Who did you consult?</b> |  | <b>What did they say?</b> |
|----------------------------------|--|---------------------------|
| <b>1</b>                         | <b>Chief Executive / Senior Leadership Team (SLT)</b><br>(mandatory) | Supportive                |
| <b>2</b>                         | <b>Finance / Section 151</b><br>(mandatory)                          |                           |
| <b>3</b>                         | <b>Legal / Monitoring Officer</b><br>(mandatory)                     | Author of the report      |
| <b>4</b>                         | <b>Human Resources (HR)</b>  |                           |
| <b>5</b>                         | <b>Property</b>  |                           |
| <b>6</b>                         | <b>Information Communication</b>                                     |                           |

|   |                                      |   |
|---|--------------------------------------|---|
|   | <b>Technology (ICT)</b>              |   |
| <b>7</b>  | <b>Procurement</b>                   |   |
| <b>8</b>  | <b>Scrutiny</b>                      | <p>Consultees on the first draft of the Protocol. Comments included as part of the Protocol and / or Report.</p> <p>Feedback from the Scrutiny Committees is included as <b>Appendix 2</b> to the report.</p> |
| <b>9</b>  | <b>Local Members</b>                 | Not a ward specific matter  |
| <b>10</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>   |
| <p>Appendix 1 – A Guidance on Public Speaking Arrangements in Scrutiny Committee Meetings</p> <p>Appendix 2 – Scrutiny Committees' Feedback on the Draft Protocol.</p> |

|  |
|--|
| <b>FF - Background papers (please contact the author of the Report for any further information):</b> |
|  |

## **A Guidance on Public Speaking Arrangements in Scrutiny Committee Meetings**

### **1.0 Introduction**

- 1.1 Under section 62 of the Local Government (Wales) Measure 2011, County Councils must ensure that those who live or work in their area are able to contribute their views on any matter which is to be considered by a Scrutiny Committee. The Isle of Anglesey County Council (IOACC) is committed to this principle.
- 1.2 IOACC encourages the active participation of the public whenever possible (see link to "[Getting Involved with Scrutiny](#)") and an opportunity exists for members of the public to speak at Scrutiny Committee meetings in respect of an item on the agenda. This Guidance is intended as a means of ensuring that the voice of local people and communities in Anglesey will be heard as part of the decision making process.
- 1.3 In doing this, IOACC must ensure that the procedure is fair and organised. This Guidance has been developed to assist those wishing to speak at a Scrutiny Committee meeting. It contains information on the process to be followed. It is also hoped that encapsulating this information in a Guidance will ensure that, as far as possible, members of the public have a positive and stress-free experience when addressing a Scrutiny Committee.

### **2.0 Background**

- 2.1 There are two Scrutiny Committees at IOACC. One being the [Corporate Scrutiny Committee](#) and the other the [Partnership and Regeneration Scrutiny Committee](#). The Terms of Reference for both Committees is included in the Constitution in [Article 6](#) and in [Part 4](#).
- 2.2 The role of the Scrutiny Committee is to make recommendations to the Executive/Council. As appropriate, the Executive/Council will make the final decision.
- 2.3 Scrutiny Committee meetings are open to the public (see 2.4 below).
- 2.4 However, on occasions, the Committees will consider confidential matters e.g. personal information about individuals or commercially sensitive data and, on these occasions, members of the press and public will be asked to leave the meeting whilst that item is being considered. Such exclusion must be in the public interest.
- 2.5 The Committee members receive written reports on issues being discussed by the Scrutiny Committees at their meetings. These reports are available to the public on the website for the [Corporate Scrutiny Committee](#) and the [Partnership and Regeneration Scrutiny Committee](#) at least three working days before the day of the meeting (unless a decision is taken to exclude public access to the papers). If that is the case, a public interest test will be included on the website; this explains why access is being restricted.
- 2.6 Part of the Scrutiny Committees' remit is to "call in" decisions which have been taken by the Executive but not yet implemented. However, the right to "call in" will



be excluded where a matter considered by the Executive is deemed urgent. In those circumstances, it will not be possible for the matter to be considered by a Scrutiny Committee and so public participation will also not be available.

### **3.0 Public attendance and speaking at Scrutiny Committee Meetings**

#### **3.1 General Points**

- 3.1.1 Scrutiny Committee meetings are held in public and any member of the public or the press may attend and listen to the debate. There is no need to make any arrangements for this; you are entitled to just turn up.
- 3.1.2 The public have no express right to speak in a Scrutiny Committee meeting, but may ask for prior agreement to do so in accordance with this Guidance.
- 3.1.3 Some items are discussed in closed session, when the Committee is considering confidential information that has been declared as not for publication (subject to the public interest as mentioned in 2.4 above). The public and press will be asked to leave for these items. It follows that there will not be any public speaking in relation to these items.
- 3.1.4 Clearly, public speaking will not be appropriate on agenda items such as apologies for absence, declarations of interest and minutes.
- 3.1.5 The right to speak does not include the right to ask any questions of any IOACC member, officer of the Council, invited attendees or any other speaker.

#### **3.2 Required Steps**

- 3.2.1 In order to speak at a Scrutiny Committee meeting, a member of the public must have submitted a **written request**, using the available form and sent to the Scrutiny Officer. Verbal requests to speak will not be registered. The written request should be made using the form on this [link](#) and may include photographs or diagrams. A contributor must do this as soon as possible and at the latest **3 clear working days prior to the Committee meeting** (electronic submissions are encouraged). Any requests received after this time will be automatically rejected. Contact details, together with a copy of the relevant application form, can be found on the Council's [website](#).
- 3.2.2 One person may speak from each group or party where each group or party has something different to say in relation to an item. Individuals who are experts in a particular field, or hold a particular view which is not represented by a group or party, may also register their interest in speaking at a meeting. The Chair of the Committee will only allow a second/third etc. speaker, with the same perspective, in exceptional cases, and where there are clearly different arguments to be heard. This will be at the discretion of the Chair in consultation with the Scrutiny Officer and the Monitoring Officer.

For example, in relation to a report discussing several schools, it is reasonable that one speaker may be allowed from each school, but it is not reasonable to have all parents make an individual contribution. Or where an item discusses Leisure

Centres, it would be reasonable to allow different speakers from the different public groups that use the Leisure Centres, on the basis they all have something different to say, and they would not each be repeating the same points. The point is to ensure that the Committees hear all points of view, but that contributions are not repetitive.

- 3.2.3 All written requests will be recorded by the Council's Scrutiny Officer. The request will include details of who that individual is representing (if applicable). When arrangements are being made for a Committee meeting, the individual whose name first appears on the list i.e. the first person to register their interest to speak at the Committee meeting, in relation to each group / party of people, will be given the first opportunity to confirm if they still wish to speak. If the first registered person no longer wishes to speak, the offer will be made to the second registered person and the first registered person's place will be forfeited. Similarly, if the second registered person no longer wishes to speak, the offer will be made to the third registered person, and so forth. Once an offer is made to the next registered person on the list, and that person confirms they will attend to speak, the previous registered person cannot reassert their request to speak. The offer will only ever revert to the first registered speaker if every other person on the list has confirmed that they no longer wish to speak. Clearly, this does not apply to those contributors who are not representing groups/parties.
- 3.2.4 Those wishing to speak at Committee meetings should register their interest to do so as soon as possible by confirming their name and whom are they representing, (if applicable) and not delay for the Committee papers to be published, so as to avoid a situation where they miss the deadline noted in 3.2.1 above and/or other individuals have already registered to speak. Matters will usually be part of a wider consultation and so the public will be aware of the matters due to be considered. However, in order to ensure the public are fully aware, individuals are encouraged to review the [Forward Work Programme](#) (FWP) for the Scrutiny Committees which detail the matters that are scheduled to be discussed.
- 3.2.5 The Scrutiny Officer will give those who have registered to speak at Committee meetings as much notice as possible of the time, date and place of the meeting at which the item will be discussed. Committee agendas are published at least three clear working days before the Committee meeting and will include details of all matters to be discussed at that meeting.

### **3.3 At the Scrutiny Committee Meeting**

- 3.3.1 As stated, meetings of Scrutiny Committees are usually held in public, they are open to the press and all reports are public documents unless they contain confidential information.
- 3.3.2 Prior to the start of the meeting contributors should introduce themselves to the Scrutiny Officer or the Committee Officer and they will arrange an introduction to the Chair. Public speakers should allow enough time for this to happen by aiming to arrive at Cyswllt Môn (Council's main HQ reception) about 15 minutes before the start of the meeting.

- 3.3.3 Speakers may communicate with the Committee in either Welsh or English (translation facilities are available at each meeting).
- 3.3.4 It is important that any speaker at a Scrutiny Committee meeting should talk in a responsible and respectful way in order to maximise the benefit of their contribution.
- 3.3.5 The Chair will introduce each speaker to the Committee when it is their turn to speak.
- 3.3.6 Each speaker will be asked to move to a specific location within the meeting room where they can be best seen and heard by all members of the Committee. Each speaker will be given **five minutes** to make their contribution.
- 3.3.7 Speakers are encouraged to consider the following:
- 3.3.7.1 Ensure comments are clear and concise, and directly related to the report on which they have asked to speak.
  - 3.3.7.2 Avoid repeating points made by any earlier speaker.
  - 3.3.7.3 Limit their views to the advantages or disadvantages of the proposals in the report and highlighting how the report could affect the delivery of services to specific user groups. Suggest alternative proposals.
- 3.3.8 Speakers are not allowed to hand out supporting documents at the Scrutiny Committee meeting or use visual / oral aids (such as photographs or diagrams or sound recordings). Any material received from the speaker under paragraph 3.2.1 shall be circulated by the Scrutiny Officer in advance, to the members of the Committee; subject to the caveat that the material is suitable for publication. This decision will be at the discretion of the Scrutiny Officer in consultation with the Monitoring Officer and the relevant lead service officer.
- 3.3.9 If a speaker is still talking after five minutes the Chair will usually wait for them to finish their sentence and then will let them know that they have reached their time limit. Contributors are not allowed to go over time so as to ensure fairness to any other speakers. In exceptional circumstances, the Chair may allow speakers a little more time; if so, other speakers in relation to the same item will be allowed the same amount of extra time.
- 3.3.10 Once the speaker has concluded their contribution, the Chair may allow Committee members to ask the speaker questions to clarify any points arising. The speaker must not enter into a debate with the members of the Committee.
- 3.3.11 The speaker will then return to their seat in the public gallery.
- 3.3.12 The Committee will discuss the issue before making a decision, and will take into account any information provided by all the speakers.
- 3.3.13 The Chair will ensure that all speakers are treated with courtesy and respect. The Chair will have the discretion to stop a speaker at any time in proceedings if, in the Chair's view, the speaker behaves improperly, offensively or tries to prevent the Committee from doing its work or makes comments which are defamatory, vexatious, discriminatory or offensive. In presiding over the meeting, the Chair will exercise his/her powers and duties in an active, fair and impartial manner so that

business can be carried out efficiently and with regard to the interests of the community.

3.3.14 The speaker may leave the meeting at any time after they have spoken.

#### **4.0 Data Protection**

4.1 Contact details, including email addresses and telephone numbers, are essential in order to allow the proper functioning of this Guidance and to allow speakers to attend the Scrutiny Committee meetings. Personal details are only collected for the purpose of administering public speaking at Scrutiny Committee meetings. Once an item has been determined at Committee, contact details will be deleted in accordance with the Council's published Retention Policy.

#### **5.0 Summary**

**Any members of the public wishing to speak on a particular item in a Scrutiny Committee, should:**

- Regularly review the Forward Work Programme available **\*\*HERE\*\*** in order to see what matters are coming up;
- Submit a written request using the form available **\*\*HERE\*\***;
- The written request must be received by the Scrutiny Officer, **at least 3 clear working days** before the Committee meeting;
- Any queries should be directed to the individuals named in section 6 below.

#### **6.0 Contact Details**

Scrutiny Support Officer 01248 75xxxx  
[abc@ynysmon.gov.uk](mailto:abc@ynysmon.gov.uk)

Committee Services Officer 01248 75xxxx  
[def@ynysmon.gov.uk](mailto:def@ynysmon.gov.uk)

## **APPENDIX 2 – Feedback from the Scrutiny Committees (Updated following Executive meeting on 23 March 2020)**

The Public Speaking Protocol was considered by the Corporate Scrutiny Committee on the 9th of March and the Partnership and Regeneration Scrutiny Committee on the 11th of March and below is a summary of the comments / recommendations of both committees:

### **Scrutiny Committee Comments**

The following points in particular were noted:

- The importance of raising public awareness of the existence of the Protocol as a framework to support them to contribute to meetings of scrutiny committees
- Discussion regarding the 5 minute time limit for speakers to contribute to scrutiny committees, especially on strategic or complex matters.
- A discussion was held regarding the intention to set a timetable of 3 working days for members of the public to request to speak at Council Scrutiny Committee meetings. It was noted that the discretion of the Chair would be implemented in relation to any requests that were not received within the published timetable, within special circumstances.

### **Corporate Scrutiny Committee, 09/03/20**

Even though the majority of the Committee were supportive of the Protocol as it was presented and accepted that it was attempting to formalise and provide clarity regarding public speaking arrangement at Council Scrutiny Committees, some Members were concerned that the proposed Protocol placed an excessive constraint on the time given to people to make an application and to address the meeting and could therefore add to the pressure on individuals who are already nervous about speaking publicly or who are feeling emotional about the matter they wish to speak about. Those Members felt that the current informal arrangements, under the direction of the Chair, had served the Scrutiny Committee well so far.

Following a discussion and the subsequent vote, the Corporate Scrutiny Committee decided to agree to the Scrutiny Public Speaking Protocol as it was presented and to propose it be accepted by the Executive (Councillors Aled Morris Jones, Lewis Davies and Bryan Owen voted against).

### **Partnership and Regeneration Scrutiny Committee, 11/03/20**

Following the discussion, it was unanimously decided:

That the Public Speaking Protocol for Scrutiny be adopted with the addition that when a late request to speak at the Scrutiny Committees is received that it be expected that the Scrutiny Chairs shall seek the advice of the relevant Officers.

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| <b>Isle of Anglesey County Council</b> |  |
| <b>Meeting:</b>                        | <b>Democratic Services Committee</b>   |
| <b>Date:</b>                           | <b>30 July 2020</b>  |
| <b>Title of report:</b>                | <b>Review of the electoral arrangements for the Isle of Anglesey County Council by the Local Democracy and Boundary Commission for Wales</b> |
| <b>Report by:</b>                      | <b>Head of Democratic Services</b>   |
| <b>Purpose of report:</b>              | <b>To consider Boundary Commission draft proposals and make recommendations to the County Council.</b>                                       |

## **1.0 Background**

1.1 The Local Democracy and Boundary Commission for Wales is required to carry out periodic reviews of the electoral arrangements of the principal areas of Wales. The Commission is now inviting stakeholders to comment on the Isle of Anglesey County Council's electoral arrangements. The intention is to introduce the changes in time for the 2022 elections. On 25 September 2019, this Committee approved initial proposals prepared as part of the review process. The Council approved these proposal on 7 October 2019 and recommended a model based on 14 wards and 35 Members.

## **2.0 Boundary Commission proposals**

2.1 The Boundary Commission has prepared a report detailing proposals. Views are requested by the 14 September, including ward names. A copy is available via the link below:

<https://ldbc.gov.wales/reviews/06-20/isle-anglesey-draft-proposals>

2.2 The Commission proposes a Council of 35 Members and 14 wards. No changes are being proposed to 6 electoral wards. This results in a proposed county average of 1,461 electors per member. All proposals recommended by the Council in October 2019 have been accepted by the Boundary Commission in their draft proposals –details are set out in the summary at Appendix 1.

2.3 The cross party panel has met to consider the Commission's proposals and have accepted all the recommendations. In addition, Group Leaders have endorsed these proposals for approval.

### **3.0 Recommendations**

The Democratic Services Committee is requested:

- 3.1 to consider the Panel's observations (Appendix 1).
- 3.2 subject to any further observations, to recommend to the County Council that the proposals be accepted.

**Huw Jones**  
**Head of Democratic Services**  
**14 July 2020**



**Review of electoral arrangements; Isle of Anglesey County Council – Local Democracy and Boundary Commission for Wales’ draft proposals (June 2020)**

| <b>1 – Aethwy</b>                                   |   |   |
|---|---|---|
| <b>The Council’s recommendations – October 2019</b> | <b>The Commission’s draft proposals – June 2020</b> | <b>Observations of the Council’s cross party Panel - 30 June 2020</b> |
| No change to existing arrangements.                 | No change.  | The Panel agrees with the Commission’s draft proposals.               |

| <b>2 – Bro Aberffraw</b>                            |   |   |
|---|---|---|
| <b>The Council’s recommendations – October 2019</b> | <b>The Commission’s draft proposals – June 2020</b> | <b>Observations of the Council’s cross party Panel - 30 June 2020</b> |
| No change to existing arrangements.                 | No change.  | The Panel agrees with the Commission’s draft proposals.               |

| <b>3 – Bro Rhosyr</b>   |  |   |
|---|--|---|
| <b>The Council’s recommendations – October 2019</b>   | <b>The Commission’s draft proposals – June 2020</b>  | <b>Observations of the Council’s cross party Panel - 30 June 2020</b> |
| It is recommended that the community of Llangristiolus, bordering the Cefni Ward (Llangefni) currently forming part of Canolbarth ward be moved from Bro Rhosyr to create a new ward with Cefni ward. There are public transport links with Llangefni and close community ties with the town. Also this area is part of the Ysgol Gyfun Llangefni school catchment area and there are close links | The Commission proposes to combine the areas as proposed by the Isle of Anglesey County Council in respect of the proposed Braint electoral ward which creates an electoral ward of 2,707 electors (3,040 projected) which, if represented by <b>two councillors</b> , would result in a level of variance that is 7% below the proposed county average. | The Panel agrees with the Commission’s draft proposals.               |

| <b>3 – Bro Rhosyr</b>  |   |   |
|--|---|---|
| <b>The Council's recommendations – October 2019</b>  | <b>The Commission's draft proposals – June 2020</b>   | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| with community facilities. This change within Bro Rhosyr would result in a <b>2 member</b> ward of 2,712. 1 Councillor to 1,356 electorate.<br><br>Name: Bro Rhosyr ward renamed <b>Braint</b> to reflect local geography. | The Commission has given the proposed electoral ward the single name of <b>Braint</b> . The Welsh Language Commissioner is in agreement with the proposed name. The Commission would welcome any suggestions for alternative names. |   |

| <b>4 – Caergybi</b>   |  |   |
|---|--|---|
| <b>The Council's recommendations – October 2019</b>   | <b>The Commission's draft proposals – June 2020</b>  | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| Merge the Parc and Mynydd and Porthyfelin wards of the Community of Holyhead to create 1 new ward with <b>2 Councillors</b> . Number of electors – 2,515. 1 councillor to 1,257.<br><br>Name – <b>Parc a'r Mynydd</b> | The Commission proposes that the Parc a'r Mynydd and Porthyfelin wards of the Town of Holyhead form an electoral ward of 2,499 electors (2,771 projected) which, if represented by <b>two councillors</b> , would result in a level of representation that is 14% below the proposed county average.<br><br>The Commission has given the proposed electoral ward the single name of <b>Parc a'r Mynydd</b> . The Welsh Language Commissioner is in agreement with the proposed name. The Commission would welcome any suggestions for alternative names. | The Panel agrees with the Commission's draft proposals.               |

| <b>4 – Caergybi</b>  |   |   |
|--|---|---|
| <b>The Council’s recommendations – October 2019</b>  | <b>The Commission’s draft proposals – June 2020</b>   | <b>Observations of the Council’s cross party Panel - 30 June 2020</b> |
| <p>Combine the following wards to create a new ward with <b>2 members</b> – Holyhead Town, Morawelon, London Road.<br/>Number of electors – 2,799. 1 councillor to 1,399.</p> <p>Name – <b>Tref Cybi</b></p> | <p>The Commission, as a consequence, proposes that the London Road, Morawelon and Town wards of the Town of Holyhead form an electoral ward of 2,751 electors (3,292 projected) which, if represented by <b>two councillors</b>, would result in a level of representation that is 6% below the proposed county average.</p> <p>The Commission has given the proposed electoral ward the single name of <b>Tref Cybi</b>.</p> <p><b>The Welsh Language Commissioner considered the name and suggested using ‘Cybi’, ‘Tref Caergybi’ or ‘Caergybi’ as the proposed ward name. They advised that the proposed name of Tref Cybi could give the false impression that ‘Cybi’ is the name of the town, rather than Caergybi. The Welsh Language Commissioner proposes ‘Cybi’ as the electoral ward name, as this follows the same pattern as the proposed ‘Cefni’ electoral ward. The Commission would welcome any suggestions for alternative names. The Commission notes that the</b></p> | <p>The Panel agrees with the Commission’s draft proposals.</p>        |

| <b>4 – Caergybi</b>                                 |   |   |
|---|---|---|
| <b>The Council’s recommendations – October 2019</b> | <b>The Commission’s draft proposals – June 2020</b>   | <b>Observations of the Council’s cross party Panel - 30 June 2020</b> |
|   | existing Ynys Gybi electoral ward also uses the ‘Cybi’ form and the proposed Cefni ward also utilises the same naming patterns. The Commission is satisfied with the Council’s recommendation of Tref Cybi. |   |

| <b>5 – Canolbarth Môn</b>  |  |   |
|--|--|---|
| <b>The Council’s recommendations – October 2019</b>  | <b>The Commission’s draft proposals – June 2020</b>  | <b>Observations of the Council’s cross party Panel - 30 June 2020</b> |
| <p>Create a new <b>2 member ward</b> – Trewalchmai, Bryngwran and Llanfaelog communities (currently part of Llifon ward). Number of electors – 2,558. 1 councillor to 1,279. This new ward is in the Ysgol Uwchradd Bodedern catchment area.</p> <p>Name – <b>Crigyll</b>.</p> | <p>The Commission also proposes to combine the areas as proposed by the Isle of Anglesey County Council in respect of the proposed Crigyll electoral ward which creates an electoral ward of 2,571 electors (2,807 projected) which, if represented by <b>two councillors</b>, would result in a level of variance that is 12% below the proposed county average.</p> <p>The Commission has given the proposed electoral ward the single name of <b>Crigyll</b>. The Welsh Language Commissioner is in agreement with the proposed name. The Commission would welcome any suggestions for alternative names.</p> | The Panel agrees with the Commission’s draft proposals.               |

| <b>5 – Canolbarth Môn</b>  |  |   |
|--|--|---|
| <b>The Council's recommendations – October 2019</b>  | <b>The Commission's draft proposals – June 2020</b>  | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| <p>Create a new <b>2 member</b> ward by combining Cefni ward of the community of Llangefni with Llangristiolus community (currently part of Rhosyr) due to local community ties and close connection to Llangefni – secondary school. Number of electors 2,398. 1 member to 1,199.</p> <p>Name – <b>Cefni.</b></p> | <p>The Commission also proposes to combine the areas as proposed by the Isle of Anglesey County Council in respect of the proposed Cefni electoral ward which creates an electoral ward of 2,298 electors (2,413 projected) which, if represented by <b>two councillors</b>, would result in a level of variance that is 21% below the proposed county average.</p> <p>The Commission has given the proposed electoral ward the single name of <b>Cefni</b>. The Welsh Language Commissioner is in agreement with the proposed name. The Commission would welcome any suggestions for alternative names.</p> | <p>The Panel agrees with the Commission's draft proposals.</p>        |
| <p>Based on the 2019 electoral data, this model would create a <b>3 Councillor</b> ward of 3,889 in Canolbarth Môn. 1 councillor to 1,296.</p> <p>Name – <b>Canolbarth Môn.</b></p>  | <p>The Commission, as a consequence, proposes to combine the areas as proposed by the Isle of Anglesey County Council in respect of the proposed Canolbarth Môn electoral ward which creates an electoral ward of 3,897 electors (4,259 projected) which, if represented by <b>three councillors</b>, would result in a level of variance that is 11% below the proposed county average.</p>   | <p>The Panel agrees with the Commission's draft proposals.</p>        |

| <b>5 – Canolbarth Môn</b>                           |   |   |
|---|---|---|
| <b>The Council's recommendations – October 2019</b> | <b>The Commission's draft proposals – June 2020</b>   | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
|   | The Commission has given the proposed ward the single name of <b>Canolbarth Môn</b> . The Welsh Language Commissioner is in agreement with the proposed name. The Commission would welcome any suggestions for alternative names. |   |

| <b>6 – Llifton</b>   |  |   |
|--|--|---|
| <b>The Council's recommendations – October 2019</b>  | <b>The Commission's draft proposals – June 2020</b>  | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| Create new <b>2 Councillor</b> ward - communities of Trewalchmai, Bryngwran (currently in Canolbarth Môn) and Llanfaelog. Electorate of 2,558 - 1 councillor to 1,279. This new ward is within the Ysgol Uwchradd Bodedern catchment area and there are local community links and public transport links.<br>Name – <b>Crigyll</b> . | See table 5 – Canolbarth Môn ( <b>Crigyll</b> ).   | The Panel agrees with the Commission's draft proposals.               |
| Create a new <b>2 Councillor</b> ward of the communities of Caergeiliog, Y Fali and Bodedern (Talybolion ward). This new ward is within the Ysgol Uwchradd Bodedern catchment area and there are local community links including primary   | The Commission also proposes to combine the areas as proposed by the Isle of Anglesey County Council in respect of the proposed Bro'r Llynnoedd electoral ward which creates an electoral ward of 3,594 electors (3,927 projected) | The Panel agrees with the Commission's draft proposals.               |

| <b>6 – Llifon</b>  |   |   |
|--|---|---|
| <b>The Council's recommendations – October 2019</b>  | <b>The Commission's draft proposals – June 2020</b>   | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| <p>care. This would create a ward with an electorate of 3,634 electors. 1 councillor to 1,817.</p> <p>Name – <b>Bro'r Llynnoedd.</b></p> | <p>which, if represented by <b>two councillors</b>, would result in a level of variance that is 23% above the proposed county average.</p> <p>The Commission has given the proposed electoral ward the single name of <b>Bro'r Llynnoedd</b>. The Welsh Language Commissioner is in agreement with the proposed name. The Commission would welcome any suggestions for alternative names.</p> |   |

| <b>7 – Lligwy</b>                                   |   |   |
|---|---|---|
| <b>The Council's recommendations – October 2019</b> | <b>The Commission's draft proposals – June 2020</b> | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| No change to existing arrangements.                 | No change.  | The Panel agrees with the Commission's draft proposals.               |

| <b>8 – Seiriol</b>                                  |   |   |
|---|---|---|
| <b>The Council's recommendations – October 2019</b> | <b>The Commission's draft proposals – June 2020</b> | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| No change to existing arrangements.                 | No change.  | The Panel agrees with the Commission's draft proposals.               |

| <b>9 – Talybolion</b>  |  |   |
|--|--|---|
| <b>The Council's recommendations – October 2019</b>  | <b>The Commission's draft proposals – June 2020</b>  | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| <p>This is an extensive geographic area, including 7 Community Councils. It is recommended that the Community of Bodedern be moved from this ward to create a new ward with the communities of Y Fali and Llanfair-yn neubwll (see proposals relating to Llifon above). This new ward is within the Ysgol Uwchradd Bodedern catchment area and there are local community links including primary care.</p> <p>This would result in an electorate of 3,869 for <b>Talybolion</b> served by <b>3 Councillors</b>. 1 councillor to 1,289.</p> | <p>The Commission, as a consequence, proposes that the remainder of the Talybolion electoral ward form an electoral ward of 3,834 electors (4,161 projected) which, if represented by <b>three councillors</b>, would result in a level of variance that is 13% below the proposed county average.</p> <p>The Commission has given the proposed electoral ward the single name of <b>Talybolion</b>. The Welsh Language Commissioner is in agreement with the proposed name. The Commission would welcome any suggestions for alternative names.</p> | <p>The Panel agrees with the Commission's draft proposals.</p>        |

| <b>10 – Twrcelyn</b>                                |   |   |
|---|---|---|
| <b>The Council's recommendations – October 2019</b> | <b>The Commission's draft proposals – June 2020</b> | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| <p>No change to existing arrangements.</p>          | <p>No change.</p>                                   | <p>The Panel agrees with the Commission's draft proposals.</p>        |



| <b>11 – Ynys Gybi</b>                               |   |   |
|---|---|---|
| <b>The Council's recommendations – October 2019</b> | <b>The Commission's draft proposals – June 2020</b> | <b>Observations of the Council's cross party Panel - 30 June 2020</b> |
| No change to existing arrangements.                 | No change.  | The Panel agrees with the Commission's draft proposals.               |

**Electoral Ward Names.**

The Commission has noted that views are welcomed on all the proposed names (including those where there has been no change) and that any alternative names suggested will be considered.

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| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>  |   |
|---|---|
| <b>REPORT TO:</b>   | <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>  |
| <b>DATE:</b>  | <b>8 SEPTEMBER 2020</b>   |
| <b>SUBJECT:</b>   | <b>STATEMENT OF ACCOUNTS 2019/20</b>  |
| <b>PORTFOLIO HOLDER(S):</b>   | <b>COUNCILLOR ROBIN W. WILLIAMS – PORTFOLIO HOLDER (RESOURCES)</b>  |
| <b>LEAD OFFICER(S):</b>   | <b>R MARC JONES</b>   |
| <b>CONTACT OFFICER(S):</b>  | <b>CLAIRE KLIMAZEWSKI</b><br><a href="mailto:ClaireKlimazewski@ynysmon.gov.uk">ClaireKlimazewski@ynysmon.gov.uk</a> |
| <b>Nature and reason for reporting</b>  |   |
| Covering report for the presentation of the Statement of Accounts, commenting on the main issues arising since presentation of the draft Statement of Accounts 2019/2020. |   |

## 1. Background

- 1.1** The Isle of Anglesey County Council’s draft Statement of Accounts 2019/2020 was presented to the Council’s external auditors for Audit on the 6 July 2020. The detailed audit work is now substantially complete. Unfortunately, external audit are not able to provide their audit opinion or publish their ISA260 report on the Statement of Accounts 2019/20 due to outstanding reviewing and reporting work. This delay is a result of resourcing issues within the audit team which has been compounded by the NHS audits being delayed due to covid-19. However, since the draft accounts have been published a small number of changes have been made by the Council’s accounting team and a small number of amendments to disclosure notes as recommended by the external auditors. These are explained in section 3 below.
- 1.2** Under usual circumstances subject to the Isle of Anglesey County Council’s confirmation, the accounts would be signed by the Director of Function (Resources) / Section 151 Officer and the Council’s Chairman and would be published following the receipt of the Auditor’s Opinion by the legal deadline. However, on this occasion subject to Audit and Governance Scrutiny and Full Council, the Director of Function (Resources) will sign the Statement of Accounts without the audit opinion. This will be published on the internet on or before 15 September 2020 alongside a notice which will explain why the audit opinion and ISA260 are not available. It is hoped that the audit opinion and report will be available as soon as possible after 15 September, preferably by 30 September 2020. Additional Audit and Governance Committee and Full Council meetings will need to be organised and held to review the accounts once more, along with the Audit Opinion and report. The Director of Function (Resources) / Section 151 Officer will once again need to sign the Statement of Accounts once endorsed by Full Council. This will then be published as the final Statement of Accounts 2019/20 and notice of completion of audit.

## **2. Quality of Process**

- 2.1** The statutory deadline for the completion of the Statement of Accounts 2019/2020 itself has yet again been met. However, as explained above the audit opinion and report will not be available until a later date. No material amendments have been highlighted by the audit team to date. If a material change is needed this will be included in the Final Statement of Accounts and the reason for the change will be explained in the additional Audit and Governance Committee and Full Council meetings.
- 2.2** Improvements have been made which the audit process identified last year and these improvements have continued. All issues that have arisen throughout the audit were dealt with promptly and in a satisfactory manner. Working papers were produced to a high standard.

## **3. Amendment to the Accounts since the Draft on 15 June 2020**

- 3.1** The Pension Fund actuary produced two additional reports during the audit period to take the impact of Covid-19 on the pension fund assets into account and more recently the impact of a recent judgement in the McCloud case. This resulted in an increase in the Balance Sheet other long-term liabilities of £122.189m from the draft accounts for 2019/20 published on 15 June 2020 to £124.520m. This is due to an estimated increase in liabilities of the pension fund by £2.331m due to a reduction in the value of pension fund investments arising from the impact of Covid-19 on the economy and markets the fund is invested in. The recent McCloud judgement resulted in a reduced liability for historic pension costs from £0.953m to £0.418m. This does not affect the Council and HRA general balances as the pension fund value is an accounting adjustment based on a theoretical valuation of the pension fund if it comes to an end, rather than the actual funding in the pension fund at 31 March 2020. The Pension Fund is a going concern and is unlikely to end under the current legal framework for local government in Wales.
- 3.2** HRA interest receivable of £38k has been moved from general HRA income within cost of services to the correct classification of income from Financing and Investments. This does not affect the bottom line of the Comprehensive Expenditure and Income Statement.
- 3.3** Changes have been made to note 37 – grants, due to an amendment required between the single Education Improvement Grant and other Learning grants. The bandings for the loan maturity periods in note 45 have been changed to be based on calendar date rather the financial year. The senior officers remuneration note has been amended slightly, as has note 35 termination payments. The disclosure for receipt from Betsi Cadwaladr Health Board in note 38 related parties, has been amended from £4.410m to £4.210m due to a typing error. The audit manager has highlighted that an additional note below note 15 - Property, Plant and Equipment is required to show the changes from cost and valuation going back five years for the valuation of assets held at 31 March 2020. This is to bring the Council's accounts (and presumably the rest of Wales) in-line with English councils who have been reporting this.

## **4. Recommendations**

- 4.1** It is proposed that the Council accepts the 2019/2020 Interim Final Statement of Accounts (pending Audit Opinion) presented in Appendix 1 and authorises the Director of Function (Resources)/S151 Officer and Chair of the Council to sign the interim final accounts as attached.

- 4.2** The Council is recommended to endorse the Annual Governance Statement and refer the document to the Leader of the Council and the Chief Executive for signature.
- 4.3** To note that the Statement of Accounts 2019/20 will return to Audit and Governance Committee, and Full Council and will be signed again by the Director of Function (Resources) / S151 Officer once the audit opinion and report have been completed. Any changes arising from the audit review will be reflected in the Statement of Accounts on its return for scrutiny and endorsement.

# Ynys Môn

# THE ISLE OF Anglesey

## Statement of Accounts 2019/20 (excluding audit opinion)



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

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## **Narrative Report**

The Statement of Accounts is produced annually to give electors, local taxpayers, Members of the Council, employees and other interested parties clear information about the Council's finances. The Statement of Accounts is externally audited before the final version is signed and published to help provide assurance that the accounts show a true and fair view of the financial performance of the Council. This narrative report, which is a key section of the accounts, aims to provide an effective guide to the most significant matters reported in the accounts. This is in order to provide a fair, balanced and easy to understand explanation of the Council's financial position and to assist in the interpretation of the financial statements. It also contains additional information about the Council in general and the main influences on the financial statements which link between the Council's activities and challenges and how these impact on its financial resources.

The narrative report is structured as follows:-

1. The Statutory Framework;
2. About the Isle of Anglesey County Council;
3. Overview and Performance Analysis;
4. Main issues impacting on the 2019/20 Accounts;
5. Explanation of the Financial Statements;
6. Effect of the Covid-19 Pandemic.

### **1. The Statutory Framework**

The Council has a statutory duty to approve and publish a Statement of Accounts. The following pages relate to the Statement of Accounts for the Isle of Anglesey County Council for the year ended 31 March 2020.

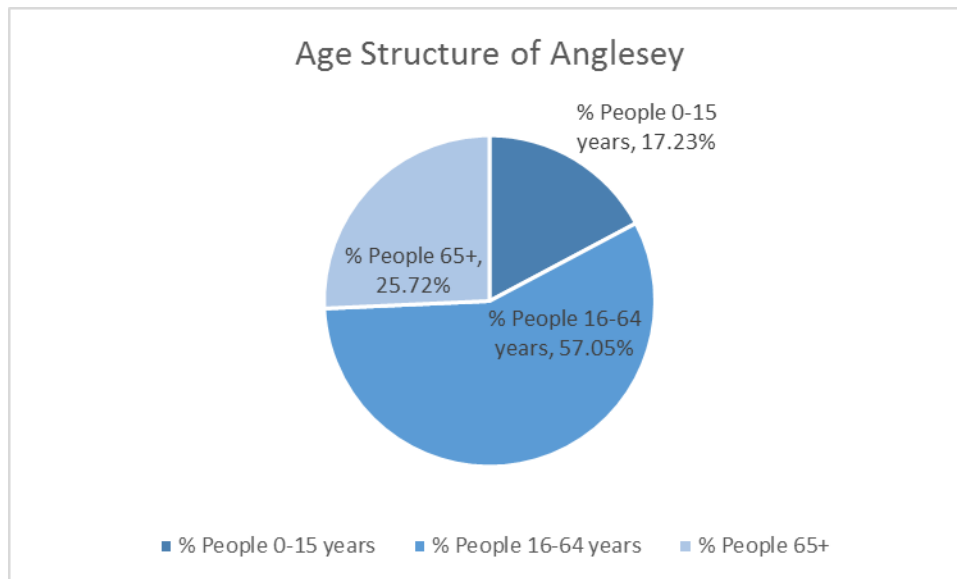
The Accounts and Audit (Wales) Regulations 2014 came into force on 31 March 2015, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018 for the accounts year 2015/16 and future periods. These regulations require Welsh Local Authorities to prepare a Statement of Accounts in accordance with these regulations and proper practices.

Regulation 25 of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (SI 2003/3239 (W.319), as amended) identifies proper practices for the preparation of the Statement of Accounts. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 issued by CIPFA, supported by International Financial Reporting Standards (IFRS). In addition, this narrative incorporates guidance from HM Treasury's Financial Reporting Manual (FRM), Sections 5.2.1 to 5.2.10 as encouraged by the CIPFA code.

### **2. About The Isle of Anglesey County Council**

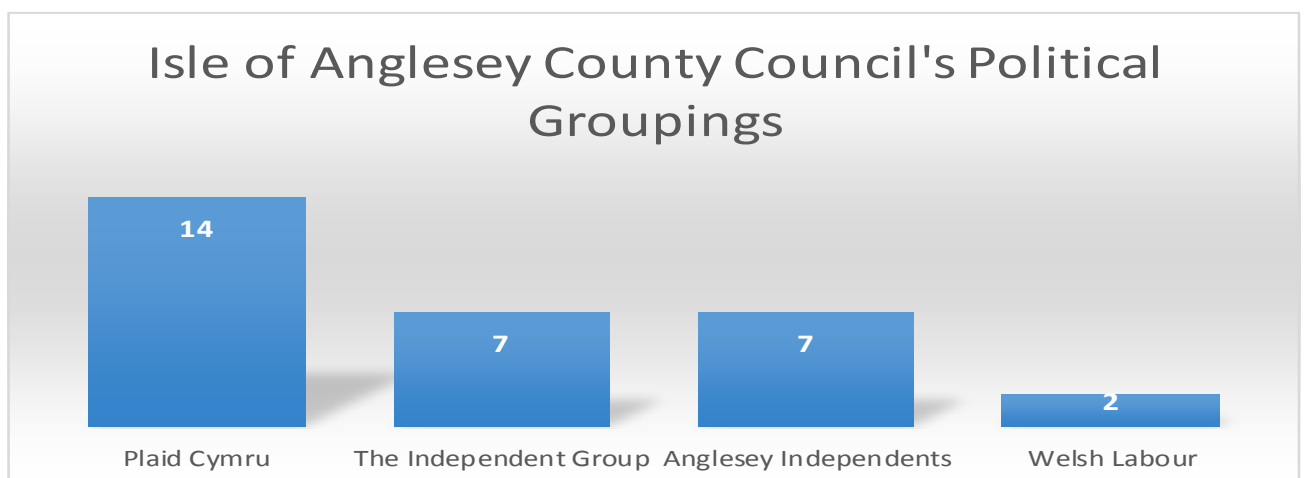
The Isle of Anglesey County Council is a unitary Authority and serves a population of approximately 70,000, situated on the north coast of Wales with an area of 276 square miles. Anglesey is by far the largest island in Wales and the seventh largest in the British Isles. Anglesey is also the largest Island in the Irish Sea by area and the second most populous island in the British Isles.

Anglesey has a relatively older population than the Wales average (20.77%) with 25.72% of the population aged 65+. This figure reflects in the Council's plan to support people to live well and for longer.



The Council is responsible for ensuring a wide range of services is provided to the residents, businesses and visitors to the Island. These include education, safeguarding vulnerable children and adults, social care, public health, highways, leisure, culture, waste collection, planning, administration of housing, benefits, regeneration and community engagement. In addition to providing services, the Council is also responsible for the collection of local taxation in the form of Council Tax and Non-Domestic Rates on behalf of Welsh Government.

The Council is a politically-led organisation and has adopted a Leader and Cabinet model. It has 30 elected Members representing 11 multi-Member wards across the County. Following the election in May 2017, the Council has operated under a Plaid Cymru and The Independents Group coalition administration. The political make-up of the Council as at 31 March 2020 is shown below:-



### 3. Overview and Performance Analysis

#### 3.1 Statement from the Leader of the Council

As Leader of the Council, it is my responsibility to ensure that the important milestone of producing the Annual Statement of Accounts is achieved on time each year. The accounts provide a large amount of financial information on how the Council was funded and how it spent that money during 2019/20. It is important in terms of accountability for the Council to provide this information to residents, local Council Tax payers, businesses who pay the Non-Domestic Rates and other stakeholders, including the Welsh Government.

The Council's funding is a mixture of funding from the Welsh Government via the Revenue Support Grant and the Council's share of the Non Domestic Rates pool, local taxation through Council Tax and the fees and charges paid by the Council's customers. In 2019/20, the Council's net budget was increased by £4.3m to £135.2m, of which £39.4m came from Council Tax. The increase in Council Tax was 9.5%.

The increased budget allowed for an increased investment of £1.4m in Children's Services which, along with other expenditure control measures implemented by the Service, brought the expenditure of the Service broadly in line with the approved budget, which is a significant improvement on the previous financial year. However, the demand for services continued to rise in Adult Services, which saw a budget overspend of £1.085m or 4.3%. The majority of the Council's other services maintained their expenditure on or around the approved budget or had significant underspends. The overall position at the end of the financial year was an underspend of £0.308m with the Council's General Balances at £7.060m. School balances also fell to £197k and the level of earmarked and designated reserves stood at £8.760m.

The results of the year highlight the continuing financial pressure which the Council faces and, although additional funding was allocated to services in 2020/21, it may be that this additional money will not be sufficient to meet the cost of the increased demand for Council services which the Council may face. The uncertainty arising from the Coronavirus emergency, the income lost and what expenditure will be required during the recovery phase adds to the uncertainty.

The position of the Council's Housing Revenue Account is healthy, with the reserve balance currently standing at £8.597m. This is higher than planned due to a slippage in the programme of building new properties. The balance of this reserve will reduce over the forthcoming years as the development programme is accelerated. The use of the Housing Revenue Account is set out in the Council's 30-year business plan which is reviewed and approved by the Welsh Government annually.

The future for public sector funding still remains uncertain and in particular what impact the coronavirus emergency combined with the decision to leave the European Union will have on the UK economy. The UK Government's Comprehensive Spending Review is yet to be published but it will provide a clearer indication of the future funding for Wales. However, the Council is not planning for any significant rises in Welsh Government funding over the next three years and this assumption is reflected in the Council's Medium Term Financial Strategy, which highlights the need for further reductions in revenue expenditure. As the Council's reserves have diminished, there is little scope to use reserves as a short term source of funding. Therefore, the Council is currently reviewing all the services it delivers and looking at alternative methods of delivery which will allow the services to continue but at a lower cost. This will include working more in partnership with Town and Community Councils, Community and Voluntary Organisations and Third Sector Organisations.

Despite the funding difficulties faced by the Council and the additional financial pressures incurred through the Coronavirus pandemic, as Leader of the Council, I am committed to deliver the key objectives of the Council's Corporate Plan and also working with the other five North Wales local authorities and other partners to secure additional Government funding to deliver the projects set out in the North Wales Growth Bid.

The financial standing of an organisation is seen as a key indicator of the overall standard of corporate governance. I am confident that, through the continued sound financial management, the Council will continue to be financially strong and sustainable into the future.

**Llinos Medi Huws**  
**Leader of the Council**

**May 2020**

## 3.2 Key Purpose and Activities of the Council

The Corporate Plan was approved by Council on 27 September 2017. It is a plan that sets a target to work towards. It is ambitious, however, it is realistic.

The plan informs the decision-making process at all levels in the Council, and:-

- Sets the framework we use to plan, drive and deliver our services;
- Influences how and the way that we shape our budget annually; and
- Helps to monitor progress and assess what we achieve annually.

The key theme throughout the plan is the ambition to work collaboratively with our fellow citizens, communities and partners to ensure high quality services that will improve the quality of life for everyone on the Island.

The priorities that the Authority has set itself during this period are to:-

- Create the conditions for everyone to achieve their long-term potential;
- Support vulnerable adults and families and keep them safe, healthy and as independent as possible;
- Working in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment.

The plan has been developed and shaped by the views of local people, our partners as well as by local and national political priorities, such as the Well-Being Agenda.

Public services across Wales and the UK are continuing to plan for cuts in funding that we receive, and there will be more difficult decisions ahead about the services that we provide and how we provide them. We will continue to take those decisions in consultation with local people and with the best interest of Anglesey and its people at heart.

The Council will continue to look for ways to improve services, making them more efficient and of the best quality. These improvements include continuing to modernise the way we work.

There are many challenges ahead, with the biggest challenge for the Authority, its partners as well as communities being the wide-reaching health, wellbeing and economic impact of the Coronavirus. The Council, working together with the people, communities and partner agencies of Anglesey, is doing all it can to protect business, employees and support vulnerable individuals from this uniquely serious crisis.

### 3.2.1 Financial Scenario

In common with all Local Authorities in Wales, the Isle of Anglesey County Council needs to manage a situation whereby the costs and demands of services are growing but the amount of funding available is reducing year-on-year. The Coronavirus pandemic is adding increased pressure, both financially and operationally, on the Council and it is unclear at this stage to what extent these financial pressures will be alleviated through additional funding. Against this backdrop, the Council needs to manage growing demands for services, inflationary pressures, a need to invest in the local economy to promote growth and a desire to continually improve services.

The Council has responded to the reduction in funding by making substantial savings in the last three years and continues to ensure, wherever possible, these are found through improving efficiency rather than impacting on services. The Council's Medium Term Financial Plan (MTFP) is reviewed and reported to Members in September and February each year to help plan how the Council will manage its finances with ongoing budgetary pressures and funding risks.

The Council's most recent MTFP (September 2019) included an assumption that there would be no increase in the Aggregate External Finance received from Welsh Government. The final settlement for 2020/21 resulted in an increase of 3.8% in the AEF. No indication has been given by Welsh Government as to the level of future funding and no assumption has been made at this point. The situation will be reviewed prior to the Executive approving the next MTFP in September 2020. It is likely that the demand for Council services will continue to increase, as will pay and price inflation. Some of these additional costs can be offset by increasing Council Tax but it is likely that further revenue budget savings will be required over the medium term. The Council will deliver the required savings by:-

- Seeking to transfer provision of some services away from the Council, for example, to Town and Community Councils or the Third Sector;
- Creating other bodies controlled by the Council to deliver services for some non-statutory services;
- Continuing to modernise and review schools;
- To manage demand for social care and continuing to transform care for the elderly through extra-care facilities which promote independence and will reduce residential care placements;
- Increasing the charges made to service users;
- Stopping the provision of some non-statutory services;
- Continuing to modernise the administration of the services and increasing transactions with the Council online or via AppMôn.

### **3.3 Key achievements, issues and risks affecting the Council**

During 2019/20, work began on these priorities with the following key achievements achieved during the financial year:-

#### **3.3.1 Proposed and Completed Projects**

**3.3.1.1** The refurbishment of the Holyhead Market Hall was completed and the Holyhead Library has moved into the building. This releases both the former library site and the Ysgol y Parc site in the centre of Holyhead and the Council has commenced a feasibility study on how to redevelop this site.

**3.3.1.2** Progress continues on a flood alleviation scheme for the town of Beaumaris, which has been, in the main, funded from a Welsh Government grant. It is planned to complete the works during the summer of 2020.

**3.3.1.3** In addition to the completion and letting of new business units in Llangefni in 2019, work has commenced on the building of additional units on the Penrhos Business Park in Holyhead. The project has been funded by means of an agreement between the Council and the Welsh Government in addition to EU funding.

- 3.3.1.4** Work has commenced on a temporary site for Gypsies and Travellers. The work involves the creation of a site at Star to house up to 10 Gypsy and Traveller families at any one time. The project has yet to be tendered but it is planned for work to commence later in 2020, with the site becoming operational in 2021.
- 3.3.1.5** A number of schemes have commenced during 2019/20 across the Island to provide new social housing units. In addition to the Council developing and building its own units, it is working with private developers and purchasing completed units at agreed prices.
- 3.3.1.6** A new initiative by the Children's Services is being implemented where Out of County placements will be placed in Housing on the Island. It is anticipated that this will yield reduced costs of between £150k and £200k during the 2020/21 financial year.

### **3.3.2 Working with Partners**

- 3.3.2.1** The Council has been working with four other local authorities in establishing a new waste recycling plant, Parc Adfer. The new recycling Plant became operational during 2019/20. This has been a project which has spanned several years in which the Authority has been working in partnership with the other Authorities to develop this site. The introduction of this new recycling plant will lead to improved recycling targets for the Authority.
- 3.3.2.2** The Council is currently working in partnership with the five other North Wales authorities on the North Wales Growth Bid. The bid, if successful, will attract over £240m of UK and Welsh Government funding, along with private sector investment. As with any large-scale funding projects, there are risks surrounding project delivery and financing any borrowing that is required.

### **3.3.3 The Council's Financial Standing and Associated Risks**

- 3.3.3.1** The Council is experiencing increased demand for social care services. Additional funding was provided for Children's Services during 2019/20 but Adult Services significantly overspent its allocated budget. The Welsh Government increased the Council's Aggregate External Funding by 3.8% in 2020/21 and this, and an increase of 4.5% in Council Tax, has allowed the Council to allocate £1.028m to the Service in 2020/21 in addition to funding pay and price inflation. The Council implemented £2.56m of revenue savings in 2019/20 with a further £0.306m of revenue savings planned for 2020/21.
- 3.3.3.2** The Council's general balance is £7.060m, which is 4.9% of its net revenue budget for 2020/21, this is an increase of £1.148m from the general balance of £5.912m at 31 March 2019. This is an improvement on the last three years where the balances of the general reserve had developed a trend of reducing year-on-year. The continued demand for services above the level allowed for in the current year revenue budget increases the risk that these balances will continue the downward trend of prior years to a level which places the Council at significant financial risk.
- 3.3.3.3** The UK leaving the European Union (EU) could lead to a number of risks. The Council will no longer receive European grant funding and there is no certainty on any replacement funding. The impact on the economy from leaving the EU, along with the impact of the Coronavirus pandemic, could also affect the Council, as weaker economic growth will reduce the Welsh Government's ability to increase funding for Local Government.

### 3.4 Summary of Performance

#### 3.4.1 Revenue Expenditure

The Statement of Accounts sets out the Council's spending and funding in line with accounting requirements. The Council measures financial performance against planned activity in the form of the Council's management accounts. In 2019/20, the Council reported an underspend of £0.308k against a planned activity of £135.210m (net budget) and achieved £2.205m of savings. The table below reflects the final budget for 2019/20 and actual income and expenditure against it.

| Services                             | Annual Budget<br>£'000 | Outturn<br>£'000 | Variance<br>over/(under)<br>spend<br>£'000 |
|--------------------------------------|------------------------|------------------|--|
| Lifelong Learning                    | 50,916                 | 50,673           | (243)                                      |
| Adult Services                       | 25,205                 | 26,290           | 1,085                                      |
| Children's Services                  | 10,274                 | 10,430           | 156  |
| Housing                              | 1,220                  | 1,143            | (77)                                       |
| Highways, Waste, Property            | 14,662                 | 14,305           | (357)                                      |
| Regulation                           | 3,926                  | 3,809            | (117)                                      |
| Transformation                       | 4,516                  | 4,205            | (311)                                      |
| Resources                            | 3,053                  | 2,880            | (170)                                      |
| Council Business & Corporate Finance | 21,438                 | 21,164           | (274)                                      |
| <b>Total Council Fund</b>            | <b>135,210</b>         | <b>134,691</b>   | <b>(308)</b>                               |

#### Subjective Analysis

| Services                  | Annual Budget<br>£'000 | Outturn £'000  | Variance<br>Over/(under)<br>spend<br>£'000 |
|---------------------------|------------------------|----------------|--|
| Employee                  | 88,157                 | 89,933         | 1,776                                      |
| Premises                  | 8,424                  | 8,766          | 342  |
| Transport                 | 4,032                  | 5,399          | 1,367                                      |
| Supplies and Services     | 30,436                 | 31,173         | 737  |
| Third Party Payments      | 45,909                 | 47,070         | 1,161                                      |
| Transfer Payments         | 25,790                 | 24,969         | (821)                                      |
| Fees and Charges          | (10,062)               | (11,984)       | (1,922)                                    |
| Rental Income             | (1,507)                | (1,401)        | 106  |
| Transfers and Grants      | (55,195)               | (58,170)       | (2,975)                                    |
| Other Adjustments         | (774)                  | (853)          | (79)                                       |
| <b>Total Council Fund</b> | <b>135,210</b>         | <b>134,902</b> | <b>(308)</b>                               |

The impact of an underspend means that the Council increased its general reserves by £0.308k.



The table above reflects how costs are categorised, monitored and managed within the Council. The following Accounts report the same expenditure and income but in a different format to comply with the statutory external reporting requirements. This incorporates additional costs such as depreciation or changes in the value of property, which, under regulation, are not chargeable to useable reserves in the year.

### 3.4.2 Capital Expenditure

The capital programme supports the Council's wider objective to deliver services and to support economic growth. In 2019/20, the Council approved a Capital Programme for non-housing services of £17.282m and approved a Capital Programme for the HRA of £13.110m. In addition, in June 2019, the Council approved Capital Slippage of £3.065m to be brought forward from 2018/19. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded, which amounted to £10.450m. This brings the total Capital Budget for 2019/20 to £43.907m.

The programme has made steady progress in year, achieving a delivery rate of 68.36%. It is expected that most of the remaining schemes will be delivered over the coming few years.

From this total spend of £30.015m, £19.345m was capitalised and added to the value of assets in the Council's Balance Sheet. The remainder was charged to the Comprehensive Income and Expenditure Statement as it was either in support of assets that are not in direct Council ownership (£1.388m) or did not increase the value to the capital assets (£9.282m).

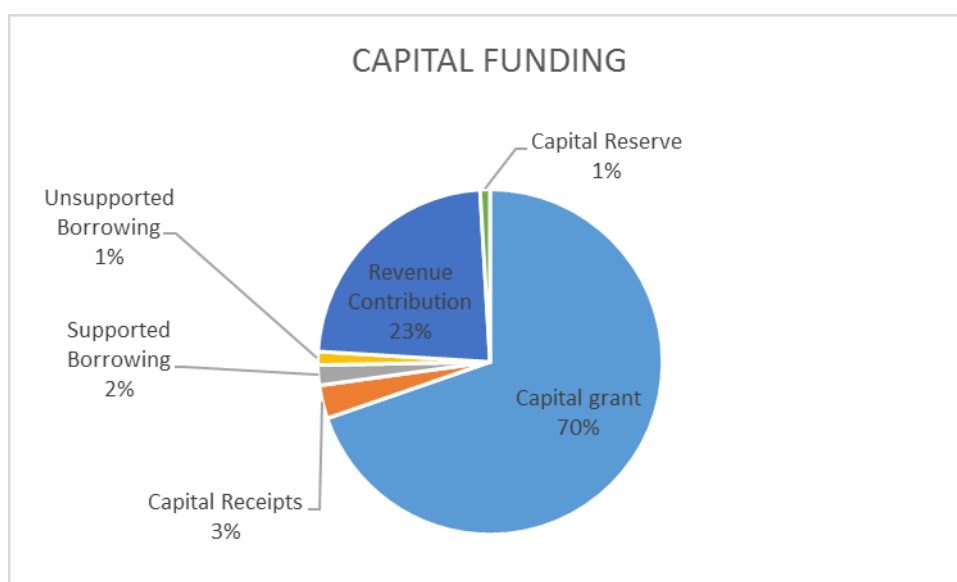
The table below analyses the expenditure that has been capitalised:-

| <b>Scheme</b>  | <b>Amount<br/>(£'000)</b> |
|--|---------------------------|
| Band A 21st Century School – Ysgol Santes Dwynwen                                    | 243                       |
| Band A 21st Century School – Ysgol Llangefni: Corn Hir and Bodffordd                 | 14                        |
| Modular Building (Morswyn) – Child Care for children between 2 and 11 years old      | 464                       |
| Modular Building (Pencarnisiog) – Child Care for children between 2 and 11 years old | 416                       |
| Modular Building (Y Tywyn) – Child Care for children between 2 and 11 years old      | 127                       |
| Modular Building (Esceifiog) – Child Care for children between 2 and 11 years old    | 30                        |
| David Hughes 3G pitch  | 76                        |
| Plas Arthur Fitness Room   | 27                        |
| Holyhead Basketball Equipment  | 16                        |
| Penrhos Industrial Units   | 1,945                     |
| Llangefni Industrial Units   | 75                        |
| Planning System  | 42                        |

| <b>Scheme</b>  | <b>Amount<br/>(£'000)</b> |
|--|---------------------------|
| Vehicles   | 103                       |
| Highways Resurfacing   | 1,848                     |
| Llangefni Cycle Route  | 151                       |
| Active Travel Mapping  | 350                       |
| Llangefni Link Road  | 103                       |
| Local Transport Fund - School Drop Offs                              | 50                        |
| A545 Resilience Study  | 44                        |
| Maes Awyr Mon  | 312                       |
| Small Scale works - Preswylfa  | 111                       |
| Maes Hafoty Llansadwrn – Flood Alleviation                           | 145                       |
| Beaumaris Flood Alleviation  | 2,346                     |
| Pentraeth Flood Alleviation  | 403                       |
| Drainage studies – Holyhead and Amlwch                               | 40                        |
| Gaerwen Park and Ride  | 601                       |
| Invest to Save Vehicles  | 77                        |
| Small Scale Works - Mill Lane Grillage                               | 95                        |
| Road Safety  | 228                       |
| New Loading Shovel   | 180                       |
| Smallholdings  | 88                        |
| IT Projects  | 1,297                     |
| Market Hall  | 689                       |
| Residential Site for Gypsies & Travellers                            | 255                       |
| Compulsory Purchase – Housing Pilot Scheme                           | 223                       |
| Acquisition of Existing Properties and Development of New Properties | 5,599                     |
| <b>Total</b>   | <b>19,345</b>             |

A note of the Authority's current borrowing facilities and capital borrowing:-

| <b>Funded By</b>      | <b>Amount (£'000)</b> |
|-----------------------|-----------------------|
| Unsupported Borrowing | 243                   |
| Supported Borrowing   | 364                   |
| Capital Grant         | 13,484                |
| Capital Receipts      | 605                   |
| Revenue Contribution  | 4,468                 |
| Capital Reserve       | 181                   |
| <b>Total</b>          | <b>19,345</b>         |



As at 31 March 2020, the Authority had £139.232m of External Borrowing. At this time, the Authority's Capital Financing Requirement (CFR), which essentially is a measure of the Council's underlying borrowing need, was £136.904m. In early March 2020, the Council borrowed an additional £10m to fund planned capital expenditure to the end of the financial year, but the global pandemic meant that capital expenditure in the final month was lower than anticipated, which resulted in external borrowing exceeding the CFR. The loan was for a one year period and will be repaid in 2020/21. The level of external borrowing will fall below the CFR during 2020/21 as external borrowing is repaid and capital expenditure is incurred. In the Treasury Management Strategy Statement for 2020/21, the Authorised Borrowing Limit approved by the Council was £178m, therefore, the Authority is well within its borrowing limit.

## **A summary of the Authority's internal and external sources of funds available to meet its capital expenditure plans and other financial commitments**

As at 31 March 2020, the Authority's internal sources of funds were cash deposits at bank and other investments of £23.045m. The external borrowing figure was £139.232m.

### **3.4.3 Balance Sheet**

The Council's Balance Sheet demonstrates a good financial position at the end of 2019/20 with a net assets of £188.286m. This is an increase of £25.830m from last year. The value of the Council's long-term assets (property, plant etc.) increased by £18m. This included the addition of Market Hall, Holyhead, which attracted significant grant funding and is operational. It also includes the newly built Ysgol Santes Dwynwen, Newborough, which is a 21<sup>st</sup> Century School project funded in partnership with the Welsh Government. Existing assets were also revalued. Short-term assets also increased, such as cash which increased by circa £9m.

The details of the Council's long-term and short-term assets and liabilities are shown in the Balance Sheet as at 31 March 2020.

#### **Reserves**

The £25.830m increase in the Council's net assets set out above is the result of a £24.730m increase in unusable reserves linked to the increases in long-term assets discussed above and a £1.100m increase in usable balances (including the HRA).

## **4. Main Issues from the 2019/20 Accounts**

The Council set a net budget of £135.210m for 2019/20 to be funded from a combination of Council Tax Income, NDR and general grants. The budget included a requirement to achieve a savings figure of £2.561m, which was incorporated into the individual service budgets. The outturn position was an underspend of £0.308k. The underspend is made up of departmental under or overspends, unused contingencies and any other one-off items identified during the financial year.

#### **Coronavirus**

The Council's finances were fairly stable during the financial year. However, the coronavirus crisis affecting the Council in the final month of the financial year 2019/20 is the single biggest issue now facing the Council.

#### **Pensions**

**Teachers' Pension Scheme** - Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Department for Education. The scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

**Local Government Pension Scheme** - As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits by participating in the Gwynedd Pension Fund administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. Benefits will not actually be payable until employees retire but the Council has a commitment to make the payments to the Pension Fund that need to be disclosed at the time that the employees earn their future entitlement.

The current economic climate continues to have an impact on the net Pensions Liability. The potential impact of the Covid-19 crisis will be included in the final version of these accounts. It is important to note that the increased liability in the pension position is based on actuarial valuations. The Council's actual payments to the Pension Fund are reviewed every three years as part of the triennial valuation of the Pension Fund. An investment strategy is then determined which aims to recover any deficits over the period as determined by the Pension Fund's Actuary (Hymans Robertson LLP).

Hymans Robertson LLP Professional Actuarial Consultants revalued the Gwynedd Pension Fund, of which the Council is part of, as at 31 March 2019. This reviewed current funding plans and set new contribution rates for each Gwynedd Pension Fund employer for the period from 1 April 2020 to 31 March 2023.

The valuation report predicts an improved position compared to the last valuation in 2016 which predicted that the Pension Fund was underfunded by £145m (funded by 91%). This led to increased contributions for employers. The 2019 valuation estimates that the pension fund is 108% funded by £156m. This has led to reduced contributions for the next three financial years.

Since this valuation, the Coronavirus Pandemic has caused significant market volatility which, in the short-term, has caused a 12% reduction in investment return. However, a long-term view is taken for the pension fund and the valuation report and contribution rates still stand. If there is a more significant decline in the medium-term, for example, in 18 months' time, then an interim valuation will be completed to review the funding of the Pension Fund and ongoing contribution rates.

In addition, the LGPS benefit structure is being reviewed since the McCloud judgement ruled that the 2015 Public Sector Pension reforms introduced unlawful age discrimination. The full financial effect of this judgement is not yet known but it will cause increased costs for each Pension Fund employer. The valuation report takes a prudent approach to estimating contributions, therefore building in increased costs.

The Movement-in-Reserves Statement and the Comprehensive Income and Expenditure Statement show the pensions benefits earned in the year, adjusted as necessary to reflect that part of the pensions costs that is not met from Council Taxpayers.

## **Provisions**

Total provisions held by the Council amounted to £5.234m at 1 April 2019. During the year, the balance reduced by £0.054m to £5.180m. The insurance provision was increased to £0.337m in accordance with estimated need. Short-term provisions amounted to £0.414m in total, to provide for future expected costs which might arise from past obligations. A total of £39k of the Penhesgyn provision was used to fund costs relating to the landfill site during 2019/20.

Details of the movements in provisions are shown in Note 27 to the Accounts.

## **Going Concern**

The accounts are prepared on the 'going concern' basis. This means that the accounts have been prepared on the basis of the Council continuing in its current form into the future. The Isle of Anglesey County Council was created by statute/law in 1996 and will continue in its current form until changed by statute.

## Materiality

Items of expenditure and income are considered material if the amount would change the true and fair view of the accounts. If a material item was excluded from the accounts, it would significantly change individuals' understanding and the accuracy of the accounts. The Council has set its materiality limit as the lower of 5% of materiality or £200k. Amounts less than this are deemed to be immaterial and will not be adjusted for should any error or omission emerge.

## 5. Explanation of the Financial Statements

The Statement of Accounts sets out details of the Council's income and expenditure for the financial year 2019/20 and its Balance Sheet as at 31 March 2020. These statements include the General Fund and the Housing Revenue Account (HRA). They set out the respective responsibilities of the Council and the Council's Director of Function (Resources), who is the designated Section 151 Officer.

### Core Financial Statements:-

The Statement of Accounts includes the core financial statements, which are:-

1. **The Comprehensive Income and Expenditure Statement (CIES)** – shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.
2. **Expenditure and Funding Analysis (EFA)** – shows the information in the CIES but also provides the accounting adjustments which are cancelled out in Note 7 to ensure that these adjustments are not funded by Council Tax Payers. The first column of the Expenditure and Funding Analysis provides the real impact of the year's financial performance on the Council and HRA's balances and reserves.
3. **The Movement in Reserves Statement (MIRS)** – shows the movement in the year of reserves held by the Council, analysed between 'usable' and 'unusable' reserves. The statement shows the true economic cost of providing the Authority's services and how those costs are funded from the various reserves.
4. **The Balance Sheet** – shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets are matched by reserves held by the Authority.
5. **The Cash Flow Statement** – shows the changes in cash and cash equivalents of the Council during the reporting period.
6. **Notes to the Accounts** – the notes to the core Financial Statements provide more details about the Council's accounting policies and items contained in the statements.

### Supplementary Financial Statements

1. **The Statement of Responsibilities for the Statement of Accounts** – explains the responsibilities of the Council and the Section 151 Officer.
2. **The Housing Revenue Account (HRA)** is a record of revenue expenditure and income relating to the Council's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. The Housing Revenue Account is ring-fenced from the Council's General Fund.

**3. Auditor's Opinion** - as the Council's External Auditor, the Auditor General for Wales will carry out the statutory audit and sign the Statement of Accounts following the Section 151 Officer signing and dating the Statement of Accounts. They then issue an opinion as to whether the Accounts need to be qualified or are unqualified. The deadline for this opinion is 15 September following the year-end.

#### **4. Changes in Accounting Policy**

There are no material changes to accounting treatment required for 2019/20.

The Statement of Accounts concludes with the Annual Governance Statement (AGS) 2019/20. The AGS provides an overview of the Council's governance framework. It also provides a summary of reports and reviews which comment on governance and performance issues relating to the Council.

### **6. Impact of the Covid-19 Pandemic**

#### **Provision of Services**

The Covid-19 pandemic has resulted in the temporary closure of a number of Council services, including schools, leisure centres, libraries, social care day centres, waste recycling centres, museums and the main Council reception. The closure of these facilities has reduced the Council's monthly income by approximately £400k per month but this loss is partially offset by a reduction in energy costs, transport costs and some staffing costs.

The Council has responded to the pandemic by providing more support in the community, including food banks, assisting people who are shielding and providing food parcels or direct payments to parents whose children receive free school meals (approximately 1,500 pupils). All additional costs are reimbursed to the Council by the Welsh Government.

The majority of the Council's schools have remained closed since 20 March 2020 and will not reopen until the Welsh Government instructs the Council to do so. A small number of schools have remained open to provide care to children of key workers and to vulnerable children.

The Council is administering a business support grant on behalf of the Welsh Government to provide grants of £10,000 to businesses whose properties has a rateable value of £12,000 or less and are in receipt of Small Business Rate Relief and a grant of £25,000 to businesses whose properties has a rateable value of between £12,001 and £51,000 and who operate in the retail, leisure or hospitality sectors. It is estimated that the Council will pay out in the region of £27m when all the applications have been processed.

The Council is planning the resumption of all services after the end of the lockdown period whilst taking into account the need to maintain social distancing. This may result in an increase in the cost of providing services, but it is not possible to determine the additional cost at this stage.

#### **Council Workforce**

The majority of the Council staff worked from home during the lockdown and the additional costs of enabling this to happen in terms of additional IT costs have been funded by the Welsh Government. Around 6% of the Council's workforce were not able to work during the lockdown and were not transferred to undertake any other duties. The Council did not furlough these staff as the funding for these staff was still received, i.e. RSG and Council Tax, and the Council would not have made the staff redundant because of the lockdown. The Council needed to ensure that the staff were also available to undertake other duties should sickness levels increase during the

pandemic. The instances of staff contracting Covid-19 were low and did not result in a significant increase in sickness levels.

The Council has outsourced a number of its main contracts, including Highway Maintenance, Refuse Collection and School Meals catering. The Council continued to pay these contractors in accordance with the requirements set out in the Cabinet Office's Procurement Policy Note PPN 02/20.

### **Supply Chain**

As the majority of the Council's services are outsourced, the responsibility for ensuring an adequate supply chain rests with the contractors and not the Council. The Council has not experienced any significant difficulties with its main supply chains and each service has plans in place should essential suppliers fail to deliver.

The major supply chain priority during the pandemic has been in respect of PPE for social care workers and for workers working in the community. The Council had to resort to placing orders with new suppliers without following the Council's normal procurement processes. This may have resulted in the Council paying higher prices than normal for certain items.

### **Reserves, financial performance and financial position**

The Council's General Fund balance as at 31 March 2020 stood at £7.060m, which equates to 4.9% of the net revenue budget for 2020/21. The Council's financial strategy aims to hold a minimum of 5% of the net revenue budget as General Balances (£7.1m). As a result, the Council's General Balance is slightly lower than the target.

The financial performance for 2019/20 showed a net underspend of £0.308m and was not unduly affected by the commencement of the pandemic.

Moving into 2020/21 has seen the suspension of a number of services, which has resulted in a loss of income for the Authority, mainly from leisure centres, car parking fees, school meals and seasonal fees linked to the tourism industry. Initial estimates put the loss of income at £0.4m per month. There are some savings in expenditure as a result of the lockdown, but they will not fully offset the loss of income.

The pandemic will have a negative impact on the economy with increases expected in the number of Council Tax payers eligible for help with their Council Tax bills under the Council Tax Reduction Scheme. The Welsh Government's funding for the Scheme has been incorporated into the Revenue Support Grant and any increases in the costs of the Scheme will fall on the Council. The current budget for the Scheme is £6m. The economic downturn will also impact on people's ability to pay their Council Tax. The Council allows for a 1.5% loss in setting the tax base each year and collection rates for Council Tax normally result in about 0.7% of the debt being written off. It is anticipated that the write-off of debt will be higher for 2020/21.

The Council only planned a small amount of revenue savings in 2020/21 (£0.31m) and the implementation of these savings proposals are not affected by the pandemic.

It is unclear at the moment as to whether any additional funding will be received from the Welsh Government to meet the cost of the loss in income or to meet any increases in the cost of providing services whilst still meeting the requirements in respect of social distancing. If the Welsh Government does not provide any financial assistance, it is likely that the Council will overspend its net revenue budget in 2020/21, with the sum of the overspend being funded from the General Reserves.



The Council's Housing Revenue Account balance stood at £8.597m as at 31 March 2020. The reserve is earmarked to fund the cost of the development of new properties as set out in the Council's 30 HRA Business Plan. Any significant reduction in the HRA reserve as a result of the pandemic will lead to a reduction in the planned new development programme.

The Council's debt management strategy for 2020/21 was approved by the Council on 11 March 2020. It continued the strategy over recent years of using surplus cash balances to fund capital expenditure wherever possible (internal loans) and to invest surplus cash in ways which are low risk and allow ready access to the cash. At the beginning of the pandemic, £10m of internal loans were externalised and all surplus cash was held in the Council's bank accounts. Welsh Government also paid instalments of RSG early, which improved the Council's cash flow during the lockdown period. Cash balances were monitored on a daily basis during the lockdown and the healthy cash balance ensured that no remedial action was required to resolve any significant falls in cash balances.

The Council's capital programme for 2020/21 is funded mainly from government grants (school modernisation, highway refurbishment and flood relief work), European funded schemes (construction of business units, improvements to town centres), HRA funded projects (new developments, planned maintenance of existing properties) and schemes funded from supported borrowing and general capital grants (maintenance of existing buildings, IT equipment and purchase of new vehicles). Although work on all schemes stopped during the lockdown, they will commence again in 2020/21. Any slippage will not result in any loss of funding.

The financial effects of the pandemic have been considered carefully when preparing the accounts for 2019/20 and, where necessary, adjustments have been made based on information available at the time. Four issues in particular have been reviewed, namely its effect on pension valuations, its effect on income owed to the Council, its effect on asset valuation and its effect on investments. At the time of preparation, the effect on investments and asset valuation were considered minimal while a review of the pension fund is continuing and may not become apparent for several months. Provisions for bad debts have been adjusted for possible loss of income owed to the Authority on 31 March 2020.

## **Conclusion**

The pandemic will impact on the Council's financial position in terms of the loss of income and additional expenditure during the lockdown and will result in the provision of services becoming more costly in the future as the Council has to adjust to the requirements of social distancing. The availability of capital funding may also be reduced, which will impact on the Council's capital programme and, in particular, the two main priorities, school modernisation and the building of new homes.

## **THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

### **The Isle of Anglesey County Council's responsibilities**

The Isle of Anglesey County Council is required to:-

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Function (Resources) who is also the designated Section 151 Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

### **The Section 151 Officer's responsibilities**

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("The Code").

In preparing this Statement of Accounts, the Section 151 Officer has:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with CIPFA Local Authority Code of Practice.

The Section 151 Officer has also:-

- kept proper accounting records, which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### **Certificate**

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Isle of Anglesey County Council at the accounting date and its income and expenditure for the year ended 31 March 2020.

**Signed:** \_\_\_\_\_

**Richard Marc Jones FCPFA  
DIRECTOR OF FUNCTION (RESOURCES) AND SECTION 151 OFFICER**

**Signed** \_\_\_\_\_

**Councillor Margaret Murley Roberts  
CHAIR ISLE OF ANGLESEY COUNTY COUNCIL**

**Dated: 8 September 2020**

**The independent auditor's report of the Auditor General for Wales to the Members of Isle of Anglesey County Council**

**Report on the audit of the financial statements – KEEP BLANK UNTIL FINAL AUDIT REPORT**

Date:

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## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 MARCH 2020

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover expenditure in accordance with regulations, which may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

| 2019/20                    |                       |                          | Services  | Note         | 2018/19                    |                       |                          |
|----------------------------|-----------------------|--------------------------|---|--------------|----------------------------|-----------------------|--------------------------|
| Gross Expenditure<br>£'000 | Gross Income<br>£'000 | Net Expenditure<br>£'000 |   |              | Gross Expenditure<br>£'000 | Gross Income<br>£'000 | Net Expenditure<br>£'000 |
| 73,291                     | (15,907)              | 57,384                   | Lifelong Learning                                 |              | 70,793                     | (14,660)              | 56,133                   |
| 40,699                     | (11,431)              | 29,268                   | Adult Services                                    |              | 37,503                     | (8,952)               | 28,551                   |
| 11,753                     | (1,072)               | 10,681                   | Children's Services                               |              | 11,876                     | (1,199)               | 10,677                   |
| 5,983                      | (4,098)               | 1,885                    | Housing   |              | 4,949                      | (3,966)               | 983                      |
| 26,793                     | (6,390)               | 20,403                   | Highways, Property and Waste                      |              | 24,934                     | (5,570)               | 19,364                   |
| 12,291                     | (6,317)               | 5,974                    | Regulation and Economic Development               |              | 12,694                     | (7,272)               | 5,422                    |
| 5,666                      | (261)                 | 5,405                    | Transformation                                    |              | 5,548                      | (226)                 | 5,322                    |
| 26,947                     | (17,679)              | 9,268                    | Resources   |              | 28,187                     | (19,454)              | 8,733                    |
| 2,245                      | (412)                 | 1,833                    | Council Business                                  |              | 1,790                      | (253)                 | 1,537                    |
| 1,936                      | (332)                 | 1,604                    | Corporate and Democratic Costs                    |              | 2,148                      | (1,144)               | 1,004                    |
| 482                        | -                     | 482                      | Corporate Management                              |              | 579                        | -                     | 579                      |
| 418                        | -                     | 418                      | Non-distributed costs                             |              | 134                        | -                     | 134                      |
| 12,591                     | (18,717)              | (6,126)                  | Housing Revenue Account (HRA)                     |              | 12,079                     | (17,843)              | (5,764)                  |
| <b>221,095</b>             | <b>(82,616)</b>       | <b>138,479</b>           | <b>Deficit on Continuing Operations</b>           |              | <b>213,214</b>             | <b>(80,539)</b>       | <b>132,675</b>           |
|                            |                       | 23,105                   | Other operating expenditure                       | 12           |                            |                       | 22,129                   |
|                            |                       | 8,945                    | Financing and investment income and expenditure   | 13a          |                            |                       | 10,405                   |
|                            |                       | (163,380)                | Taxation and non-specific grant Income            | 14           |                            |                       | (157,047)                |
|                            |                       | <b>7,149</b>             | <b>Deficit on Provision of Services</b>           |              |                            |                       | <b>8,162</b>             |
|                            |                       | (13,487)                 | Surplus on revaluation of non-current assets      | 11c, 15 & 17 |                            |                       | (6,152)                  |
|                            |                       | (19,492)                 | Re-measurement of net Pension liability           | 11ch & 41    |                            |                       | 18,734                   |
|                            |                       | <b>(32,979)</b>          | <b>Other Comprehensive Income and Expenditure</b> |              |                            |                       | <b>12,582</b>            |
|                            |                       | <b>(25,830)</b>          | <b>Total Comprehensive Income and Expenditure</b> |              |                            |                       | <b>20,744</b>            |

## EXPENDITURE AND FUNDING ANALYSIS

| 2019/20   |  |   | Services   | 2018/19   |  |   |
|---|--|---|--|---|--|---|
| Net Expenditure Chargeable to the General Fund and HRA Balances - A = C - B | Adjustments between Funding and Accounting Basis - B | Net Expenditure in the Comprehensive Income and Expenditure Statement - C |  | Net Expenditure Chargeable to the General Fund and HRA Balances - A = C - B | Adjustments between Funding and Accounting Basis - B | Net Expenditure in the Comprehensive Income and Expenditure Statement - C |
| £'000   | £'000  | £'000   |  | £'000   | £'000  | £'000   |
| 50,198  | 7,186  | 57,384  | Lifelong Learning  | 50,382  | 5,751  | 56,133  |
| 26,601  | 2,667  | 29,268  | Adult Services   | 26,387  | 2,164  | 28,551  |
| 10,496  | 185  | 10,681  | Children's Services  | 10,671  | 6  | 10,677  |
| 1,508   | 377  | 1,885   | Housing  | 749   | 234  | 983   |
| 14,464  | 5,939  | 20,403  | Highways, Property and Waste                                     | 14,473  | 4,891  | 19,364  |
| 3,895   | 2,079  | 5,974   | Regulation and Economic Development                              | 3,799   | 1,623  | 5,422   |
| 4,276   | 1,129  | 5,405   | Transformation   | 4,422   | 900  | 5,322   |
| 8,619   | 649  | 9,268   | Resources  | 8,219   | 514  | 8,733   |
| 1,524   | 309  | 1,833   | Council Business   | 1,367   | 170  | 1,537   |
| 1,881   | (277)  | 1,604   | Corporate and Democratic Costs                                   | 1,286   | (282)  | 1,004   |
| 482   | -  | 482   | Corporate Management   | 579   | -  | 579   |
| -   | 418  | 418   | Non-distributed costs  | -   | 134  | 134   |
| (4,075)   | (2,051)  | (6,126)   | Housing Revenue Account (HRA)                                    | (7,675)   | 1,911  | (5,764)   |
| <b>119,869</b>  | <b>18,610</b>  | <b>138,479</b>  | <b>Net Cost of Services</b>                                      | <b>114,659</b>  | <b>18,016</b>  | <b>132,675</b>  |
| (120,969)   | (10,361)   | (131,330)   | Other Income and Expenditure                                     | (115,434)   | (9,079)  | (124,513)   |
| <b>(1,100)</b>  | <b>8,249</b>   | <b>7,149</b>  | <b>(Surplus) or Deficit on the Provision of Services</b>         | <b>(775)</b>  | <b>8,937</b>   | <b>8,162</b>  |
| (24,844)  |  |   | Opening General Fund and HRA balance at 1 April                  | (24,069)  |  |   |
| (1,100)   |  |   | Less Surplus on General Fund and HRA Balance in Year             | (775)   |  |   |
| <b>(25,944)</b>   |  |   | <b>Closing Council Fund Balances and HRA Balance at 31 March</b> | <b>(24,844)</b>   |  |   |

## MOVEMENT IN RESERVES STATEMENT FOR YEAR ENDED 31 MARCH 2020

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus/(Deficit) on the 'provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the Council Fund Balance for Council Tax setting purposes and the Housing Revenue Account for rent setting purposes. The 'Net Increase/(Decrease) before transfers to earmarked reserves' line shows the in-year movement on the Council Fund and Housing Revenue Account balances before any discretionary transfers to or from earmarked reserves are made by the Council.

|   | Council Fund Balance<br>£'000 | Earmarked Council Fund Reserves (Note 8)<br>£'000 | HRA Balance (Supplementary Financial Statements)<br>£'000 | Capital Receipts Reserve (Note 10)<br>£'000 | Schools Balances (Note 9)<br>£'000 | Capital Grants Unapplied (Note 14)<br>£'000 | HRA Earmarked Reserve (Note 8)<br>£'000 | Total Usable Reserves<br>£'000 | Total Unusable reserves (Note 11)<br>£'000 | Total Reserves (of the Council)<br>£'000 |
|---|-------------------------------|---|---|---|------------------------------------|---|---|--------------------------------|--|--|
| <b>Balance 1 April 2018</b>   | <b>6,899</b>                  | <b>7,601</b>                                      | <b>7,380</b>  | <b>320</b>                                  | <b>1,869</b>                       | <b>-</b>                                    | <b>-</b>                                | <b>24,069</b>                  | <b>159,131</b>                             | <b>183,200</b>                           |
| <b>Movement in reserves during the year</b>                                       |                               |   |   |   |                                    |   |   |                                |  |  |
| Surplus/(Deficit) on provision of services  | (7,258)                       | -   | (904)   | -   | -                                  | -   | -                                       | (8,162)                        | -  | (8,162)                                  |
| Other Comprehensive Income and Expenditure  | -                             | -   | -   | -   | -                                  | -   | -                                       | -                              | (12,582)                                   | (12,582)                                 |
| <b>Total Comprehensive Income and Expenditure</b>                                 | <b>(7,258)</b>                | <b>-</b>  | <b>(904)</b>  | <b>-</b>                                    | <b>-</b>                           | <b>-</b>                                    | <b>-</b>                                | <b>(8,162)</b>                 | <b>(12,582)</b>                            | <b>(20,744)</b>                          |
| Adjustments between accounting basis and funding basis under regulations (Note 7) | 6,160                         | -   | 1,911   | 866   | -                                  | -   | -                                       | 8,937                          | (8,937)                                    | -  |
| <b>Net Increase/ (Decrease) before Transfers to Earmarked Reserves</b>            | <b>(1,098)</b>                | <b>-</b>  | <b>1,007</b>  | <b>866</b>                                  | <b>-</b>                           | <b>-</b>                                    | <b>-</b>                                | <b>775</b>                     | <b>(21,519)</b>                            | <b>(20,744)</b>                          |
| Transfers to/(from) Earmarked Reserves (Note 8)                                   | 111                           | 1,127   | -   | -   | (1,238)                            | -   | -                                       | -                              | -  | -  |
| <b>Increase/(Decrease) In Year</b>  | <b>(987)</b>                  | <b>1,127</b>                                      | <b>1,007</b>  | <b>866</b>                                  | <b>(1,238)</b>                     | <b>-</b>                                    | <b>-</b>                                | <b>775</b>                     | <b>(21,519)</b>                            | <b>(20,744)</b>                          |
| <b>Balance 31 March 2019</b>  | <b>5,912</b>                  | <b>8,728</b>                                      | <b>8,387</b>  | <b>1,186</b>                                | <b>631</b>                         | <b>-</b>                                    | <b>-</b>                                | <b>24,844</b>                  | <b>137,612</b>                             | <b>162,456</b>                           |
| <b>Movement in reserves during the year</b>                                       |                               |   |   |   |                                    |   |   |                                |  |  |
| Surplus/(Deficit) on provision of services  | (9,410)                       | -   | 2,261   | -   | -                                  | -   | -                                       | (7,149)                        | -  | (7,149)                                  |
| Other Comprehensive Income and Expenditure  | -                             | -   | -   | -   | -                                  | -   | -                                       | -                              | 32,979                                     | 32,979                                   |
| <b>Total Comprehensive Income and Expenditure</b>                                 | <b>(9,410)</b>                | <b>-</b>  | <b>2,261</b>  | <b>-</b>                                    | <b>-</b>                           | <b>-</b>                                    | <b>-</b>                                | <b>(7,149)</b>                 | <b>32,979</b>                              | <b>25,830</b>                            |
| Adjustments between accounting basis and funding basis under regulations (Note 7) | 10,156                        | -   | (2,051)   | 144   | -                                  | -   | -                                       | 8,249                          | (8,249)                                    | -  |
| <b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>             | <b>746</b>                    | <b>-</b>  | <b>210</b>  | <b>144</b>                                  | <b>-</b>                           | <b>-</b>                                    | <b>-</b>                                | <b>1,100</b>                   | <b>24,730</b>                              | <b>25,830</b>                            |
| Transfers to/(from) Earmarked Reserves (Note 8)                                   | 402                           | 32  | -   | -   | (434)                              | -   | -                                       | -                              | -  | -  |
| <b>Increase/(Decrease) In Year</b>  | <b>1,148</b>                  | <b>32</b>   | <b>210</b>  | <b>144</b>                                  | <b>(434)</b>                       | <b>-</b>                                    | <b>-</b>                                | <b>1,100</b>                   | <b>24,730</b>                              | <b>25,830</b>                            |
| <b>Balance 31 March 2020</b>  | <b>7,060</b>                  | <b>8,760</b>                                      | <b>8,597</b>  | <b>1,330</b>                                | <b>197</b>                         | <b>-</b>                                    | <b>-</b>                                | <b>25,944</b>                  | <b>162,342</b>                             | <b>188,286</b>                           |

## BALANCE SHEET AS AT 31 MARCH 2020

The Balance Sheet shows the value of the assets and liabilities recognised by the Council as at the Balance Sheet date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that can only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold (for example the Revaluation Reserve) and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

|                                    | Note | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 |
|------------------------------------|------|------------------------|------------------------|
| Property, plant and equipment      | 15   | 414,585                | 396,452                |
| Heritage assets                    | 17   | 3,640                  | 3,676                  |
| Investment property                | 18   | 6,189                  | 6,000                  |
| Intangible assets                  | 19   | 501                    | 701                    |
| Long-term debtors                  | 24   | 166                    | 266                    |
| <b>Long-term Assets</b>            |      | <b>425,081</b>         | <b>407,095</b>         |
| Assets held for sale               | 21   | 763                    | 1,557                  |
| Inventories                        | 23   | 333                    | 300                    |
| Short-term debtors                 | 24   | 32,606                 | 29,653                 |
| Cash and cash equivalents          | 25   | 23,045                 | 15,825                 |
| <b>Current Assets</b>              |      | <b>56,747</b>          | <b>47,335</b>          |
| Short-term borrowing               | 44   | (16,837)               | (7,535)                |
| Short-term creditors               | 26   | (20,429)               | (18,151)               |
| Short-term provisions              | 27   | (413)                  | (429)                  |
| Capital grants receipts in advance | 37   | (1,993)                | (2,815)                |
| <b>Current Liabilities</b>         |      | <b>(39,672)</b>        | <b>(28,930)</b>        |
| Long-term creditors                | 26   | (159)                  | (157)                  |
| Long-term provisions               | 27   | (4,767)                | (4,805)                |
| Long-term borrowing                | 44   | (124,424)              | (127,352)              |
| Other long-term liabilities        | 41   | (124,520)              | (130,730)              |
| <b>Long-term Liabilities</b>       |      | <b>(253,870)</b>       | <b>(263,044)</b>       |
| <b>Net Assets</b>                  |      | <b>188,286</b>         | <b>162,456</b>         |
| Usable reserves                    | MIRS | 25,944                 | 24,844                 |
| Unusable reserves                  | 11   | 162,342                | 137,612                |
| <b>Total Reserves</b>              |      | <b>188,286</b>         | <b>162,456</b>         |



## CASH FLOW STATEMENT – FOR YEAR ENDED 31 MARCH 2020

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the financial year. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

|   | Note | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------|------------------|------------------|
| <b>Net Deficit on the provision of services</b>   |      | (7,149)          | (8,162)          |
| Adjustments to net surplus or deficit on the provision of services for non- cash movements  | 28   | 36,563           | 29,452           |
| Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 28   | (19,351)         | (18,221)         |
| <b>Net cash flows from operating activities</b>   |      | <b>10,063</b>    | <b>3,069</b>     |
| <b>Net cash flows from investing activities</b>   | 29   | <b>(9,276)</b>   | <b>(10,503)</b>  |
| <b>Net cash flows from financing activities</b>   | 30   | <b>6,433</b>     | <b>15,470</b>    |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   |      | <b>7,220</b>     | <b>8,036</b>     |
| Cash and cash equivalents at the beginning of the financial year  |      | 15,825           | 7,789            |
| <b>Cash and cash equivalents at the end of the financial year</b>   | 25   | <b>23,045</b>    | <b>15,825</b>    |

## **NOTES TO THE ACCOUNTS**

### **Expenditure and Funding Analysis**

The Expenditure and Funding Analysis (EFA) on page 22 aims to show the real impact of the year's financial performance on the Council's balances. The Comprehensive Income and Expenditure Statement (CIES) includes many accounting adjustments such as depreciation and pension adjustments, which, by law, are not allowed to be funded by Council Tax. These are not true costs which affect Council usable balances. The CIES shows a deficit on the provision of services of £7.149m. This is also shown in column C, called Net Expenditure in the Comprehensive Income and Expenditure Statement, within the EFA on page 22. To ensure that these accounting costs do not affect Council tax payers and Council funds, these costs of £8.249m are cancelled out in the EFA and are also shown in the Movement in Reserves Statement (MIRS) on page 23. These are shown in column B in the EFA on page 22 called Adjustments between Funding and Accounting Basis. Column A on the EFA on page 22 shows the costs properly incurred against Council Funds. This shows a surplus balance of £1.1m and it is calculated by deducting column B from column C. This helps to identify usable Council balances without these accounting adjustments. The impact of these statutory accounting adjustments is shown in the unusable reserves column in the Movement in Reserves Statement. Note 1a summarises the type of accounting adjustments which are not funded by the Council.

The CIES and the removal of accounting adjustments, when added together, show the impact for the year on Council funds.

|  | <b>£'000</b>    |
|--|-----------------|
| <b>Council usable reserves 1 April 2019</b>  | <b>(24,844)</b> |
| Deficit/(surplus) on the Provision of Services 2019/20 – CIES  | 7,149           |
| Adjustments to remove impact of accounting adjustments which do not affect the Council Fund – see Note 7 | (8,249)         |
| <b>Revised deficit/(surplus) affecting Council balances (including HRA)</b>                              | <b>(1,100)</b>  |
|  |                 |
| <b>Council usable reserves/balances 31 March 2020</b>  | <b>(25,944)</b> |

The above table shows that, when all the accounting adjustments (detailed in Note 7) are cancelled out, there was an underspend (surplus of income over expenditure) of £1.1m. This, therefore, led to an increase in Council usable balances to £25.944m. This is due to an underspend on the HRA of £210k, an underspend of £308k on the Council Fund and the release of earmarked reserves. The net underspend for the Council from 2019/20 budgeted funding was £0.518m. However, use of Council earmarked and HRA reserves, which total £0.583m, was also used to fund some costs during 2019/20. This led to the increase in the total reserves to £1.1m, rather than £0.518m. This is shown in the summary of usable reserves below.

## Summary of Movements in Council Reserves 2019/20

| Summary of Movements in Council Balances/Reserves 2019/2020 | Council Fund General Reserve | Council Fund Earmarked Reserves | Housing Revenue Account (HRA) Reserve | School Reserves | Capital receipts Reserve | Total Usable Reserves |
|---|------------------------------|---------------------------------|---------------------------------------|-----------------|--------------------------|-----------------------|
| Items impacting on the Council's Reserve 2019/20            | £'000                        | £'000                           | £'000                                 | £'000           | £'000                    | £'000                 |
| Opening Balance on Council General Reserve 1 April 2019     | (5,912)                      | (8,728)                         | (8,387)                               | (631)           | (1,186)                  | (24,844)              |
| Net overspend/(underspend) 2019/20                          | (308)                        | 0                               | (210)                                 | 0               | 0                        | (518)                 |
| Council Balance after overspend/(underspend)                | (6,220)                      | (8,728)                         | (8,597)                               | (631)           | (1,186)                  | (25,362)              |
| Net transfers from/(to) Reserves for approved funding       | (840)                        | (32)                            | 0                                     | 434             | (144)                    | (582)                 |
| Net transfer to HRA Reserve for year                        | 0                            | 0                               | 0                                     | 0               | 0                        | 0                     |
| General Reserve Balance at 31 March 2020                    | (7,060)                      | (8,760)                         | (8,597)                               | (197)           | (1,330)                  | (25,944)              |

**NOTE 1 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS**

**NOTE 1a – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS 2019/20**

| <b>Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts</b>                                    | <b>Adjustments for Capital Purposes<br/>£'000</b> | <b>Net Change for the Pensions Adjustments<br/>£'000</b> | <b>Other Differences<br/>£'000</b> | <b>Total Adjustments<br/>£'000</b> |
|---|---|--|------------------------------------|------------------------------------|
| Lifelong Learning   | 4,188   | 2,700  | 298                                | 7,186                              |
| Adult Services  | 347   | 2,257  | 63                                 | 2,667                              |
| Children's Services   | -   | 197  | (12)                               | 185                                |
| Housing   | 6   | 353  | 18                                 | 377                                |
| Highways, Property and Waste  | 4,750   | 1,115  | 74                                 | 5,939                              |
| Regulation and Economic Development   | 828   | 1,182  | 69                                 | 2,079                              |
| Transformation  | 491   | 588  | 50                                 | 1,129                              |
| Resources   | 16  | 626  | 7                                  | 649                                |
| Council Business  | 1   | 273  | 35                                 | 309                                |
| Corporate and Democratic Costs  | -   | (277)  | -                                  | (277)                              |
| Corporate Management  | -   | -  | -                                  | -                                  |
| Non-distributed costs   | -   | 418  | -                                  | 418                                |
| Housing Revenue Account (HRA)   | (2,711)   | 589  | 71                                 | (2,051)                            |
|   |   |  |                                    | -                                  |
| <b>Net Cost of Services</b>   | <b>7,916</b>                                      | <b>10,021</b>  | <b>673</b>                         | <b>18,610</b>                      |
| Other Income and Expenditure from the Funding Analysis  | (13,621)  | 3,260  | -                                  | (10,361)                           |
| <b>Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit</b> | <b>(5,705)</b>                                    | <b>13,281</b>  | <b>673</b>                         | <b>8,249</b>                       |

2018/19

| Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts   | Adjustments for Capital Purposes<br>£'000 | Net Change for the Pensions Adjustments<br>£'000 | Other Differences<br>£'000 | Total Adjustments<br>£'000 |
|---|---|--|----------------------------|----------------------------|
| Lifelong Learning   | 3,583                                     | 1,939  | 229                        | 5,751                      |
| Adult Services  | 611                                       | 1,623  | (70)                       | 2,164                      |
| Children's Services   | -   | 20   | (14)                       | 6                          |
| Housing   | 1   | 246  | (13)                       | 234                        |
| Highways, Property and Waste  | 4,090                                     | 826  | (25)                       | 4,891                      |
| Regulation and Economic Development   | 759                                       | 948  | (84)                       | 1,623                      |
| Transformation  | 465                                       | 421  | 14                         | 900                        |
| Resources   | 16  | 478  | 20                         | 514                        |
| Council Business  | 1   | 198  | (29)                       | 170                        |
| Corporate and Democratic Costs  | -   | (282)  | -                          | (282)                      |
| Corporate Management  | -   | -  | -                          | -                          |
| Non-distributed costs   | -   | 134  | -                          | 134                        |
| Housing Revenue Account (HRA)   | 1,555                                     | 407  | (51)                       | 1,911                      |
|   |   |  |                            | -                          |
| <b>Net Cost of Services</b>   | <b>11,081</b>                             | <b>6,958</b>                                     | <b>(23)</b>                | <b>18,016</b>              |
| Other Income and Expenditure from the Funding Analysis  | (11,929)                                  | 2,850  | -                          | (9,079)                    |
| <b>Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit</b> | <b>(848)</b>                              | <b>9,808</b>                                     | <b>(23)</b>                | <b>8,937</b>               |

NOTE 1b – SEGMENTAL INCOME

| Services                            | 2019/20<br>Income from<br>Services<br>£'000 | 2018/19<br>Income from<br>Services<br>£'000 |
|-------------------------------------|---|---|
| Lifelong Learning                   | (1,390)                                     | (1,528)                                     |
| Adult Services                      | (5,301)                                     | (4,538)                                     |
| Children's Services                 | -   | -   |
| Housing                             | (70)  | (65)  |
| Highways, Property and Waste        | (2,788)                                     | (2,795)                                     |
| Regulation and Economic Development | (2,778)                                     | (2,825)                                     |
| Transformation                      | (45)  | -   |
| Resources                           | (151)                                       | (154)                                       |
| Council Business                    | (402)                                       | (242)                                       |
| Corporate and Democratic Costs      | (111)                                       | (1,047)                                     |
| Corporate Management                | -   | -   |
| Non-distributed costs               | -   | -   |
| Housing Revenue Account (HRA)       | (18,585)                                    | (17,607)                                    |
| <b>Total Income</b>                 | <b>(31,621)</b>                             | <b>(30,801)</b>                             |

## **NOTE 2a – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) requires disclosure of the expected impact of any accounting standards that have been issued but not yet adopted.

The new or amended standards which have been issued but not yet adopted are:-

- *IAS 28 Investments in Associates and Joint Ventures*: IAS 28 states that an organisation should use the equity method when accounting for investment in an associate or joint venture unless the investment qualifies as an exemption. The Council does not have investments of this type and so this has no impact on the Authority's accounts.
- *Annual Improvements to IFRS Standards 2015-2017 Cycle*. This includes amendments to IFRS 3 and IFRS 11 as well as IAS 12 and IAS 23.  
IFRS 3 and IFRS 11 state that when a party to a joint operation obtains control of that joint operation that is a business, then it must re-measure that interest in the joint operation at fair value as the nature of its interest has changed. However, when a party that participates in (but does not have joint control over) a joint operation now obtains joint control over a joint operation that is a business, it must not re-measure the interest it previously had in that business. The Council is reviewing its accounting treatment of this requirement.  
IAS 12 states that an entity must recognise all income tax consequences of dividends, in profit or loss, other comprehensive income or equity, depending on where the transaction originated to generate the profit giving the dividend. This does not affect the Council as it does not have such investments.
- IAS 23 states that an entity must include all outstanding borrowing costs relating to a recognised asset even when it is ready for use or sale. The Council is reviewing its accounting treatment of this requirement.
- *IAS 19 Employee Benefits*: If a plan amendment, curtailment or settlement occurs, then it will be mandatory for the current service costs and interest for the period after the event to be re-measured. Amendments have also been included to clarify the effect these events will have on the requirements regarding the asset ceiling. The Council is reviewing its accounting treatment of this requirement.
- *IFRS 16 – Leases*: The requirement to adopt IFRS 16 has been deferred to 2021/2022 following the Covid-19 outbreak and will, therefore, not be applicable until the 2021/2022 Statement of Accounts. This IFRS will have an impact on the Council as it may need to amend the way it accounts for leased assets such as photocopiers, buildings and machinery. The Council is reviewing its accounting treatment of this requirement.

## **NOTE 2b – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED AND ADOPTED**

The Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 introduced the new requirements below for Councils to comply with due to updated reporting standards that have been adopted. The relevant changes relate to the following standards, all of which will, where they apply, amend the accounts produced for financial periods starting after 1 April 2019.

- *IFRS 16 – Leases*. The requirement to adopt IFRS16 has been deferred to 2021/2022 following the Covid-19 outbreak and will not apply to the Statement of Accounts until 2021/22.

Any changes required due to these standards are reflected in the main financial statements and disclosure notes as relevant.

### **NOTE 3 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies set out in Note 51, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:-

- The Accounts have been prepared on a going concern basis, which assumes that the functions and services provided by the Council will continue in operational existence for the foreseeable future. The Council is a local government body created by the Local Government (Wales) Act 1994. The Council operates within a difficult financial climate, similar to all local authorities in Wales. However, there are no indications from either the financial performance of the Authority or Welsh Government plans which undermine the view that the Council will continue as a going concern into the future.
- The Council has determined that a number of assets which are used for social or economic development purposes are not solely held for income generation or capital appreciation purposes and, therefore, do not meet the definition of investment properties. As a consequence, these assets are shown as Non-Current Assets - Property, Plant and Equipment within the Balance Sheet. In accordance with current guidance regarding the treatment of certain types of schools, only the value of the land for voluntary-controlled schools is included in the Balance Sheet where the voluntary body has significant control over the building. As the Council does not own these types of schools, and does not have access to them for valuation purposes, the value of the buildings is excluded from the Balance Sheet. In addition to this, as regards Voluntary-Aided and Foundation Schools, neither the value of land nor the buildings are included on the Balance Sheet.
- Capital and revenue grants are reviewed regularly to assess whether the terms and conditions attached to the respective grants have been met. If the terms and conditions have been met, they will be recognised within the Comprehensive Income and Expenditure Statement in the year. If not, they will be carried within the Balance Sheet within creditors until such time as either the terms and conditions associated with the grant are met or the grant is repaid to the grant provider should the terms and conditions not be met. This treatment can result in material balances being carried in the Balance Sheet as deferred income.
- The group requirements have been reviewed using the criteria outlined in the relevant accounting standards and Code of Practice; the Council has not identified any companies or organisations that would require it to complete group accounts.
- There is usually a high degree of uncertainty about future levels of funding for local government. In normal circumstances, this would not be sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision. However, the Coronavirus crisis has led to such significant global uncertainty that the Council has considered its impact on four main areas, namely on plant, property and equipment valuation; on investments; on the pension fund and on debts owed to the Council. Some of this review is ongoing but, at the time of issuing the draft accounts, the Authority had decided that the impairment on the Council's plant, property and equipment as well as on investments would be minimal, but the Council has increased the impairment on debts owed to it by £49k. The Actuary has updated the Pension Fund report to take into account the impact of covid-19 on the fund and it also takes into account recent information in relation to the McCloud case.

## NOTE 4

### NOTE 4a - ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The following items in the Council's Balance Sheet at 31 March 2020 may be considered to be most vulnerable for estimating error in the forthcoming financial year:-

#### **Brexit**

The United Kingdom left the European Union on 31 January and is now in a transition period with the EU until 31 December 2020. During the transition period most arrangements will remain the same with the EU and the period will allow the United Kingdom and the European Union to negotiate and agree a deal on their future relationship. Brexit remains a significant area of uncertainty in terms of impact on Local Government and in particular the Irish border issue may impact on Anglesey through Holyhead Port and ferries from and to Ireland. Potential impacts on loACC Services are continually monitored by the EU Coordinator and escalated where necessary. A separate Brexit Risk register has been created in addition to the Corporate Risk Register and both are updated regularly. Corporate and Service Business Continuity Plans have been amended to account for any potential impacts of Brexit. A recent audit of the Council's preparedness has found Reasonable Assurance that suitable measures are in place.

**Non-Current Assets - Property, Plant and Equipment** – Assets are depreciated over useful lives in accordance with standard accounting practices. Any difference between the depreciation applied and actual deterioration to assets will naturally reflect in future spending patterns. Information relating to Property, Plant and Equipment is contained in Note 15.

Where an item of Property, Plant and Equipment (Non-Current Asset) has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Applying this in practice requires an assessment against the below criteria, to establish if:-

- The economic useful life is significantly different from the other components of the asset i.e. 15 years or more;
- The value of the asset is £2m or greater and the component is over 25% of the total value of the asset;
- The economic useful life is significantly different but the value represents less than 25% of the total value of the asset; the component will be separately identified if, in the Valuer's judgement, it is deemed to be material, e.g. where the value of a component is, say, £3m (10%) of the depreciating asset that has a total value of £30m.

If the depreciating asset is part of a wider group held for the same purpose, for example, leisure centres, this recommended policy on componentisation will be applied to the total of this wider group and not to each individual depreciating asset within the group.



**Replacement of Assets** – where an asset is replaced which was part of a much larger asset but is not significant enough to be componentised, the cost of the new replacement part/asset will be used as a proxy value when the old part/asset is derecognised.

**Council Housing** - The Council's Housing stock is valued under a standard methodology, part of which requires the application of an adjustment factor to allow for the difference between rents and yields on private sector and social housing. There is currently no published adjustment factor for Wales and, therefore, the Council has selected the most comparable of the English regions and applied the published factor for that, which was 41%. Should a specific factor be published, either for Wales as a whole or on a regional basis, then this will be applied.

**Provisions** – The Council has made provision for a series of uncertainties which could result in significant costs in later years. These principally relate to after-care costs for the Penhesgyn landfill site and potential liabilities arising from insurance claims. Full details are contained in Note 27.

**Pensions Liability** – The Pension Liability position, as contained within the accounts, is based on a number of complex assessments and judgements relating to discount rates, projected salary increases, changes in retirement ages, mortality rates and expected returns on pension assets. A firm of consulting actuaries is engaged by the administering Council to provide expert advice on the assumptions to be applied. Further details are contained in Note 41.

**Impairment Loss Allowance** – As at 31 March 2020, the Council had a net debtor balance of £32.772m. A review of arrears balance suggested that impairment for doubtful debts of £5.618m was appropriate. Any differences between the impairment level applied and the actual arrears position will naturally reflect in future spending patterns. Impairment loss allowances/provision for bad debts are contained within the figures for Short-Term Debtors contained in Note 24.

**Fair Value Measurement** - Fair value measurement will be in accordance with IFRS 13 Fair Value Measurement as reported in the CIPFA Code of Practice 2019/20. In most cases, fair value is a market-based measurement. IFRS 13 provides more direction and clarity in relation to valuation of assets and liabilities. However, where there is no observable market to value against, this will involve professional judgement. When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets). Where possible, the inputs to these valuation techniques are based on observable data but, where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Authority's assets and liabilities. The depreciated replacement cost (DRC) model is used to measure the fair value of some of the Authority's investment properties.

Where Level 1 inputs are not available, the Authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the Authority's Senior Valuation Officer).

The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

## **NOTE 4b - PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

No items were reinstated in 2019/20.

## **NOTE 5 – MATERIAL ITEMS OF INCOME AND EXPENDITURE**

There are no material items of income or expenditure that have not been disclosed elsewhere in the accounts.

## **NOTE 6 – EVENTS AFTER BALANCE SHEET DATE**

The Statement of Accounts was authorised for issue by the Council's Section 151 Officer on 8 September 2020. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The following events between 31 March 2020 and 8 September 2020 have occurred which affect the Council and are important to highlight to readers of the Statement of Accounts:-

1. The Waste Management Service, has recently awarded its Waste Collection and Cleansing Contract to its current provider Biffa plc after an intensive tendering process. The new contract will commence on 1 April 2021 for an initial period of 8 years with the option to extend at the end of that period and will be worth £40m over the initial period. The existing contract between the County Council and Biffa has enabled Anglesey to become one of the leading recycling counties in the United Kingdom and both parties will aim to improve recycling rates and cleansing even further in the future under the new contract.
2. As part of its initiative to provide an increased suitable portfolio of social housing to meet demand, the Housing Service, has recently purchased land in the Llaingoch area of Holyhead, from a developer with the intention of building 26 social dwellings in the near future.
3. The Authority is continuing to provide support to the Community in the aftermath of the Covid 19 pandemic and the financial impact through increased costs and loss of income will be monitored in the coming months. Specific examples of support include:
  - Encouraging residents and tourists to 'shop local' through implementing its 'Town Centre Recovery Plan' including offering free parking in town centres.
  - Assisting the Hospitality Sector to reopen by providing guidance and clarification to Local Businesses on how to open safely in line with the Latest Welsh Government guidelines.
  - Expanding its 'Call and Collect' library Service and its 'Housebound Home Delivery Service'.
  - Working in partnership with the voluntary sector, local businesses and residents to provide food banks and distribute food to the vulnerable.
  - Distributing Covid-19 Business Grants and Set up grants on behalf of Welsh Government.

- Protecting the community against cold callers and fraudsters who provide unreliable and bogus PPE and Covid-19 virus testing kit.
  - Participating in the Track and Trace initiative to contain the virus and prevent its return.
  - Providing shelter for the Homeless through a series of cabins at the former Plas Penlan site.
  - Assisting to prepare Schools for phased reopening in September with a view of fully reopening from 10 September.
4. Pensions – the Pension Fund's actuary has revised the 2019/20 Pensions report to reflect the fact the McCloud age discrimination case will not cost the pension fund as much as initially provided for the case. The judgement means that there will be additional costs for all public sector service pension funds but these will not be as extensive as first thought. This reduced the historic pensions cost from £953k to £418k. In addition, the revised report took into account the potential impact of COVID-19 on the Pension Fund's investments due to the recession arising from the lockdown. This led to an increase in the Pension fund's underlying liability. These do not affect outturn or the Council or HRA general funds as these are statutory accounting adjustments required by accounting rules. Welsh Government law prescribes that these should not affect council tax payers so the costs are cancelled out in the movement in reserves statement. Instead, actual contributions paid to Gwynedd Pension Fund during the year are charged to the Council Fund and HRA general funds. Another potential case impacting on Pension funds is the Goodwin Case, gender discrimination case. This is in its early stages so the potential impact of this is not known. The actuary will take into account any potential costs in the Pension Fund report for 2020/21.

**NOTE 7 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

| 2019/20  | Usable Reserves      |                         |                          |                          | Movement in Unusable Reserves<br>£'000 |
|--|----------------------|-------------------------|--------------------------|--------------------------|--|
|  | Council Fund Balance | Housing Revenue Account | Capital Receipts Reserve | Capital Grants Unapplied |  |
|  | £'000                | £'000                   | £'000                    | £'000                    |  |
| <b>Adjustments primarily involving the Capital Adjustment Account:</b>   |                      |                         |                          |                          |  |
| <b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>  |                      |                         |                          |                          |  |
| Charges for depreciation, impairment and amortisation of non-current assets  | 9,872                | 3,776                   | -                        | -                        | (13,648)                               |
| Revaluation losses on Property, Plant and Equipment  | 945                  | (31)                    | -                        | -                        | (914)                                  |
| Movements in the market value of Investment Properties loss/(gain)   | (295)                | -                       | -                        | -                        | 295                                    |
| Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement  | (13,954)             | (4,202)                 | -                        | -                        | 18,156                                 |
| Revenue expenditure funded from capital under statute  | 125                  | -                       | -                        | -                        | (125)                                  |
| Derecognition - replaced parts   | 3,281                | 6,213                   | -                        | -                        | (9,494)                                |
| Carrying amount of non-current assets sold   | 1,062                | -                       | -                        | -                        | (1,062)                                |
| <b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>   |                      |                         |                          |                          |  |
| Minimum Revenue Provision for Capital Funding  | (2,655)              | (816)                   | -                        | -                        | 3,471                                  |
| Capital expenditure charged against the Council Fund and HRA balances  | (224)                | (7,609)                 | -                        | -                        | 7,833                                  |
| <b>Adjustments involving the Capital Receipts Reserve:</b>   |                      |                         |                          |                          |  |
| Proceeds from Sale of Non-Current Assets   | (1,194)              | -                       | 1,194                    | -                        | -                                      |
| Use of the Capital Receipts Reserve to finance capital expenditure   | -                    | -                       | (1,050)                  | -                        | 1,050                                  |
| Use of capital reserve to finance capital expenditure  | -                    | -                       | -                        | -                        | -                                      |
| Other Capital Receipts   | -                    | -                       | -                        | -                        | -                                      |
| <b>Adjustments involving the Financial Instruments Adjustment Account:</b>   |                      |                         |                          |                          |  |
| Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements | (101)                | (42)                    | -                        | -                        | 143                                    |
| <b>Adjustments involving the Pensions Reserve:</b>   |                      |                         |                          |                          |  |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)  | 21,206               | 589                     | -                        | -                        | (21,795)                               |
| Employer's pensions contributions and direct payments to pensioners payable in the year  | (8,514)              | -                       | -                        | -                        | 8,514                                  |
| <b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>   |                      |                         |                          |                          |  |
| Adjustments in relation to short-term compensated absences   | 602                  | 71                      | -                        | -                        | (673)                                  |
| <b>Total Adjustments</b>   | <b>10,156</b>        | <b>(2,051)</b>          | <b>144</b>               | <b>-</b>                 | <b>(8,249)</b>                         |

| 2018/19  | Usable Reserves      |                         |                          |                          | Movement in Unusable Reserves<br>£'000 |
|--|----------------------|-------------------------|--------------------------|--------------------------|--|
|  | Council Fund Balance | Housing Revenue Account | Capital Receipts Reserve | Capital Grants Unapplied |  |
|  | £'000                | £'000                   | £'000                    | £'000                    |  |
| <b>Adjustments primarily involving the Capital Adjustment Account:</b>   |                      |                         |                          |                          |  |
| <b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>  |                      |                         |                          |                          |  |
| Charges for depreciation, impairment and amortisation of non-current assets  | 9,327                | 3,868                   |                          |                          | (13,195)                               |
| Revaluation losses on Property, Plant and Equipment  | 199                  | 7                       |                          |                          | (206)                                  |
| Movements in the market value of Investment Properties loss/(gain)   | 1,518                | -                       |                          |                          | (1,518)                                |
| Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement  | (13,958)             | (2,671)                 |                          |                          | 16,629                                 |
| Revenue expenditure funded from capital under statute  | 25                   | -                       |                          |                          | (25)                                   |
| Derecognition - replaced parts   | 1,913                | 7,504                   |                          |                          | (9,417)                                |
| Carrying amount of non-current assets sold   | 1,675                | -                       |                          |                          | (1,675)                                |
| <b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>   |                      |                         |                          |                          |  |
| Minimum Revenue Provision for Capital Funding  | (2,463)              | (833)                   |                          |                          | 3,296                                  |
| Capital expenditure charged against the Council Fund and HRA balances  | -                    | (6,357)                 |                          |                          | 6,357                                  |
| <b>Adjustments involving the Capital Receipts Reserve:</b>   |                      |                         |                          |                          |  |
| Proceeds from Sale of Non-Current Assets   | (1,592)              |                         | 1,592                    |                          | -                                      |
| Use of the Capital Receipts Reserve to finance capital expenditure   | -                    | -                       | (726)                    |                          | 726                                    |
| Use of capital reserve to finance capital expenditure  | -                    | -                       | -                        |                          | -                                      |
| Other Capital Receipts   | -                    | -                       | -                        |                          | -                                      |
| <b>Adjustments involving the Financial Instruments Adjustment Account:</b>   |                      |                         |                          |                          |  |
| Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements | 87                   | 37                      |                          |                          | (124)                                  |
| <b>Adjustments involving the Pensions Reserve:</b>   |                      |                         |                          |                          |  |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)  | 17,768               | 407                     |                          |                          | (18,175)                               |
| Employer's pensions contributions and direct payments to pensioners payable in the year  | (8,367)              |                         |                          |                          | 8,367                                  |
| <b>Adjustment involving Unequal Back-Pay Adjustment Account</b>  |                      |                         |                          |                          |  |
| Amounts charged to CIES that are different from the cost of settlements chargeable in year in accordance with statutory requirements   | -                    | -                       | -                        | -                        | -                                      |
| <b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>   |                      |                         |                          |                          |  |
| Adjustments in relation to short-term compensated absences   | 28                   | (51)                    |                          |                          | 23                                     |
| <b>Total Adjustments</b>   | <b>6,160</b>         | <b>1,911</b>            | <b>866</b>               | <b>-</b>                 | <b>(8,937)</b>                         |

## NOTE 8 – EARMARKED RESERVES

|   | Balance as at<br>01/04/2018<br>£'000 | Transfers In<br>2018/19<br>£'000 | Transfers Out<br>2018/19<br>£'000 | Balance as at<br>31/03/2019<br>£'000 | Transfers In<br>2019/20<br>£'000 | Transfers Out<br>2019/20<br>£'000 | Balance as at<br>30/03/2020<br>£'000 |
|---|--------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|
| Capital - Revenue contributions unapplied | 1,137                                | 192                              | (218)                             | 1,111                                | 180                              | (448)                             | 843                                  |
| Restricted Reserves                       | 3,625                                | 3,241                            | (1,533)                           | 5,333                                | 1,981                            | (1,260)                           | 6,054                                |
| Invest-to-save                            | 653                                  | -                                | (251)                             | 402                                  | -                                | (89)                              | 313                                  |
| Equal Pay                                 | 814                                  | -                                | (450)                             | 364                                  | -                                | (314)                             | 50                                   |
| Recycling                                 | 122                                  | 250                              | (104)                             | 268                                  | 250                              | (268)                             | 250                                  |
| Insurance Fund                            | 1,250                                | 161                              | (161)                             | 1,250                                | -                                | -                                 | 1,250                                |
| <b>Total</b>                              | <b>7,601</b>                         | <b>3,844</b>                     | <b>(2,717)</b>                    | <b>8,728</b>                         | <b>2,411</b>                     | <b>(2,379)</b>                    | <b>8,760</b>                         |

### Purpose of Earmarked Revenue Reserves

**Capital - Revenue contributions unapplied** - to fund capital expenditure in future years. This has been created to ensure committed capital expenditure, including expenditure which has slipped from previous years, is fully financed.

**Restricted Reserves** – specific earmarked reserves within service areas.

**Invest-to-save** – this reserve has been created to fund invest-to-save projects where the reserves will be invested in projects which will lead to efficiency savings in the future.

**Equal Pay** – this reserve is to fund costs arising from equal pay claims such as legal fees and claims.

**Recycling** - resources ring-fenced solely for the purpose of waste recycling projects.

**Insurance Fund** - the Council runs an internal insurance account to cover the cost of uninsured losses and liabilities. Services are charged an “additional premium” in order to fund this account. Losses and liabilities that are known losses at year end are provided for. Any losses or liabilities that arise from incidents having occurred during the year but not presented until a later date are covered by the insurance reserve. This is made up of the surplus on the internal insurance account and interest balances.

## NOTE 9 – SCHOOLS BALANCES

These balances are reserved for each school’s use in pursuance of its educational objectives.

|   | Balance<br>1 April 2018<br>£'000 | Addition /<br>(Reduction) for<br>2018/19<br>£'000 | Balance<br>31 March 2019<br>£'000 | Addition /<br>(Reduction) for<br>2019/20<br>£'000 | Balance<br>31 March 2020<br>£'000 |
|---|----------------------------------|---|-----------------------------------|---|-----------------------------------|
| Community and Voluntary Primary Schools | 1,241                            | (453)   | 788                               | 54  | 842                               |
| Community Secondary Schools             | 410                              | (668)   | (258)                             | (435)   | (693)                             |
| Community Special School                | 79                               | (139)   | (60)                              | (24)  | (84)                              |
| Foundation Primary School               | 139                              | 22  | 161                               | (29)  | 132                               |
| <b>Total</b>                            | <b>1,869</b>                     | <b>(1,238)</b>                                    | <b>631</b>                        | <b>(434)</b>                                      | <b>197</b>                        |

At 31 March 2020, nine of the 40 primary schools had balances in a deficit position (12 as at 31 March 2019). Three of the five secondary schools are in a deficit position at the end of the financial year (three as at 31 March 2019); the Special School is also in a deficit position at 31 March 2020. The combined value of the schools in deficit is £1.2m (£0.93m as at 31 March 2019). Copies of the Section 52 Statements, which each Council is required to prepare after the end of each financial year under Section 52(2) of the School Standards and Framework Act 1998, can be obtained from the Accountancy Section, Resources Function, County Offices, Llangefni, Anglesey, LL77 7TW.

#### NOTE 10 – CAPITAL RECEIPTS RESERVE

These are cash receipts from the sale of Council assets. These are used to fund capital expenditure in the year or to carry forward for future years. A balance of £1.330m will be carried forward to 2020/21 to help fund next year's capital programme.

|  | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| <b>Balance 1 April</b>   | 1,186            | 320              |
| Capital Receipts in year (net of reduction for administration costs) | 1,194            | 1,592            |
|  | <b>2,380</b>     | <b>1,912</b>     |
| <b>Less:</b>   |                  |                  |
| Receipts set aside to repay debt                                     | -                | -                |
| Capital Receipts used for financing                                  | (1,050)          | (726)            |
| Other  | -                | -                |
| <b>Balance 31 March</b>  | <b>1,330</b>     | <b>1,186</b>     |

#### NOTE 11 – UNUSABLE RESERVES

|   | 31/03/2020<br>£'000 | 31/03/2019<br>£'000 |
|---|---------------------|---------------------|
| a) Capital Adjustment Account                           | 146,341             | 137,949             |
| b) Financial Instruments Adjustment Account             | (431)               | (574)               |
| c) Revaluation Reserve                                  | 142,402             | 131,743             |
| ch) Pensions Reserve                                    | (124,520)           | (130,730)           |
| d) Accumulating Compensated Absences Adjustment Account | (1,450)             | (776)               |
| <b>Total Unusable Reserves</b>                          | <b>162,342</b>      | <b>137,612</b>      |

#### NOTE 11a CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with costs such as depreciation, impairment losses and amortisations that are charged to the Comprehensive Income and Expenditure Statement and postings from the Revaluation Reserve to convert fair value figures to historic cost.

The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

| Capital Adjustment Account  | 2019/20  |                 | 2018/19  |                 |
|---|----------|-----------------|----------|-----------------|
|   | £'000    | £'000           | £'000    | £'000           |
| <b>Balance at 1 April</b>   |          | <b>137,949</b>  |          | <b>134,369</b>  |
| <b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>   |          |                 |          |                 |
| Charges for depreciation and amortisation of non-current assets   | (13,648) |                 | (13,195) |                 |
| Derecognised assets   | (9,494)  |                 | (9,417)  |                 |
| Revaluation losses on Property, Plant and Equipment   | (914)    |                 | (206)    |                 |
| Revenue expenditure funded from capital under statute   | (125)    |                 | (25)     |                 |
| Amounts of non-current assets written off on disposal or sale (including impairment) as part of the gain/(loss) on disposal to the Comprehensive Income and Expenditure Statement | (1,062)  |                 | (1,675)  |                 |
|   |          | <b>(25,243)</b> |          | <b>(24,518)</b> |
| Adjusting amounts written out of the Revaluation Reserve  |          | 2,831           |          | 2,608           |
| <b>Net written out amount of the cost of non-current assets consumed in the year</b>  |          | <b>(22,412)</b> |          | <b>(21,910)</b> |
| <b>Capital financing applied in the year:</b>   |          |                 |          |                 |
| Use of the Capital Receipts Reserve to finance new capital expenditure  | 1,050    |                 | 726      |                 |
| Use of capital reserve  | 224      |                 | -        |                 |
| Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing                                       | 18,156   |                 | 16,629   |                 |
| Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances   | 3,470    |                 | 3,296    |                 |
| Capital expenditure charged against the Council Fund and HRA balances   | 7,609    |                 | 6,357    |                 |
|   |          | <b>30,509</b>   |          | <b>27,008</b>   |
| Movements in the market value of Investment Properties charged to the Comprehensive Income and Expenditure Statement  |          | 295             |          | (1,518)         |
| <b>Balance at 31 March</b>  |          | <b>146,341</b>  |          | <b>137,949</b>  |

#### NOTE11b – FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT

The Financial Instruments Adjustment Account (FIAA) absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provision. The Council uses the Account to manage premiums paid and penalties charged on the early redemption of loans. Premiums and Penalties are charged to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the Council Fund Balance to the FIAA in the Movement in Reserves Statement. Over time, the charge is posted back to the Council Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.



| <b>Financial Instruments Adjustment Account</b>   | <b>2019/20</b> | <b>2018/19</b> |
|---|----------------|----------------|
|   | <b>£'000</b>   | <b>£'000</b>   |
| <b>Balance at 1 April</b>   | <b>(574)</b>   | <b>(450)</b>   |
| Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements | 143            | (124)          |
| <b>Balance at 31 March</b>  | <b>(431)</b>   | <b>(574)</b>   |

#### **NOTE 11 c – REVALUATION RESERVE**

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Heritage Assets.

The balance is reduced when assets with accumulated gains are:-

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created.

Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

| <b>Revaluation Reserve</b>  | <b>2019/20</b> | <b>2018/19</b> |
|---|----------------|----------------|
|   | <b>£'000</b>   | <b>£'000</b>   |
| <b>Balance at 1 April</b>   | <b>131,743</b> | <b>128,199</b> |
| Revaluation of assets and impairment losses not charged to the Deficit on the Provision of Services | 13,487         | 6,152          |
| Difference between fair value depreciation and historical cost depreciation                         | (2,053)        | (1,914)        |
| Revaluation balances on assets scrapped or disposed of  | (775)          | (694)          |
| <b>Balance at 31 March</b>  | <b>142,402</b> | <b>131,743</b> |

#### **NOTE 11ch – PENSIONS RESERVE**

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

| <b>Pensions Reserve</b>   | <b>2019/20</b>   | <b>2018/19</b>   |
|---|------------------|------------------|
|   | <b>£'000</b>     | <b>£'000</b>     |
| <b>Balance at 1 April</b>   | <b>(130,730)</b> | <b>(102,188)</b> |
| Re-measurement of net defined liability   | (21,795)         | (18,734)         |
| Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement | 19,491           | (18,175)         |
| Employers' pension contribution and direct payment to pensioners payable in the year  | 8,514            | 8,367            |
| <b>Balance at 31 March</b>  | <b>(124,520)</b> | <b>(130,730)</b> |

The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employers' contributions to pension funds or, eventually, pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve, therefore, shows a substantial difference in the benefits earned by past and current employees and the resources the Council has set aside to meet them.

The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

#### **NOTE 11d – ACCUMULATING COMPENSATED ABSENCES ADJUSTMENT ACCOUNT**

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account.

| <b>Accumulating Compensated Absences Adjustment Account</b>   | <b>2019/20<br/>£'000</b> | <b>2018/19<br/>£'000</b> |
|---|--------------------------|--------------------------|
| Settlement or cancellation of accrual made at the end of the preceding year   | (776)                    | (799)                    |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | (674)                    | 23                       |
| <b>Amounts accrued at the end of the current year</b>   | <b>(1,450)</b>           | <b>(776)</b>             |

#### **NOTE 12 – OTHER OPERATING EXPENDITURE**

|  | <b>2019/20<br/>£'000</b> | <b>2018/19<br/>£'000</b> |
|--|--------------------------|--------------------------|
| Precept paid to North Wales Police Authority                                     | 8,780                    | 7,944                    |
| Precept paid to Community Councils   | 1,441                    | 1,306                    |
| (Surplus)/Losses on the disposal of non-current assets (Including Derecognition) | 9,356                    | 9,518                    |
| Levies   | 3,528                    | 3,361                    |
| <b>Total</b>   | <b>23,105</b>            | <b>22,129</b>            |

## NOTE 13 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

### 13a – Financing and Investment Income

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| Interest payable and similar charges  | 6,012            | 5,871            |
| Net interest on the defined liability   | 3,260            | 2,850            |
| Interest receivable and similar income  | (112)            | (64)             |
| Income and Expenditure in relation to investment properties and changes in their fair value | (499)            | 1,282            |
| Derecognition and impairment of Financial Assets  | 321              | 466              |
| <b>Total</b>  | <b>8,982</b>     | <b>10,405</b>    |

### 13b – Income, Expenditure and Changes in the Fair Value of Investment Properties

|  | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| <b>(Income)/Expenditure from Investment Properties:</b>    |                  |                  |
| Income including rental income                             | (349)            | (347)            |
| Expenditure  | 140              | 129              |
| <b>Net Expenditure/(Income) from investment properties</b> | <b>(209)</b>     | <b>(218)</b>     |
| <b>(Surplus)/Deficit on sale of Investment Properties:</b> |                  |                  |
| Proceeds from sale   | (100)            | (160)            |
| Carrying amount of investment properties sold              | 105              | 142              |
| <b>(Surplus)/Deficit on sale of Investment Properties</b>  | <b>5</b>         | <b>(18)</b>      |
| <b>Changes in Fair Value of Investment Properties</b>      | <b>(295)</b>     | <b>1,518</b>     |
| <b>Total</b>   | <b>(499)</b>     | <b>1,282</b>     |

## NOTE 14 - TAXATION AND NON-SPECIFIC GRANT INCOME

|  | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| Council Tax Income                                 | 49,433           | 44,606           |
| Non-Domestic Rates Redistribution                  | 22,754           | 22,574           |
| Revenue Support Grant                              | 73,037           | 73,238           |
| Other Government Grants                            | -                | -                |
| Capital Grants Applied to Fund Capital Expenditure | 18,156           | 16,629           |
| <b>Total</b>                                       | <b>163,380</b>   | <b>157,047</b>   |

**NOTE 15a Non-Current Asset Property, Plant and Equipment (PPE)**

| 2019/20   | Property, Plant and Equipment |                    |                       |                               |                  |                        |                |                |
|---|-------------------------------|--------------------|-----------------------|-------------------------------|------------------|------------------------|----------------|----------------|
|   | Council Dwellings             | Land and Buildings | Infrastructure Assets | Vehicles, Plant and Equipment | Community Assets | PPE Under Construction | Surplus Assets | Total          |
|   | £'000                         | £'000              | £'000                 | £'000                         | £'000            | £'000                  | £'000          | £'000          |
| <b>Cost or Valuation</b>  |                               |                    |                       |                               |                  |                        |                |                |
| <b>At 1 April 2019</b>  | 147,974                       | 179,745            | 96,249                | 13,575                        | 9                | 11,222                 | 3,446          | 452,220        |
| Adjustment opening balance  | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Additions (Note 20)   | 11,812                        | 4,749              | 6,515                 | 1,534                         | -                | 3,836                  | -              | 28,446         |
| Revaluation inc./(decr.) to Revaluation Reserve                               | -                             | 8,483              | -                     | -                             | -                | -                      | 412            | 8,895          |
| Revaluation inc./(decr.) to (Surplus) / Deficit on the Prov. of Services      | -                             | (1,166)            | -                     | -                             | -                | -                      | 17             | (1,149)        |
| Derecognition - Disposals   | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Derecognition - other   | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Derecognition - replaced parts  | (6,213)                       | (3,069)            | -                     | -                             | -                | -                      | -              | (9,282)        |
| Reclassification  | -                             | 10,732             | -                     | -                             | -                | (11,268)               | 535            | (1)            |
| Reclassifications & Transfers from Assets Held for Sale                       | -                             | -                  | -                     | -                             | -                | -                      | 108            | 108            |
| Reclassification to Assets Held for Sale                                      | -                             | (270)              | -                     | -                             | -                | -                      | -              | (270)          |
| Reclassified from Investment Property   | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassified to Investment Property   | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| <b>Balance as at 31 March 2020</b>  | <b>153,573</b>                | <b>199,204</b>     | <b>102,764</b>        | <b>15,109</b>                 | <b>9</b>         | <b>3,790</b>           | <b>4,518</b>   | <b>478,967</b> |
| <b>Depreciation and Impairment</b>  |                               |                    |                       |                               |                  |                        |                |                |
| <b>At 1 April 2019</b>  | 7,149                         | 9,092              | 30,071                | 9,401                         | -                | -                      | 55             | 55,768         |
| Adjustment Cost and Depreciation  | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Depreciation Charge   | 3,521                         | 5,316              | 3,569                 | 1,011                         | -                | -                      | 8              | 13,425         |
| Depreciation written out to Revaluation Reserve                               | -                             | (4,567)            | -                     | -                             | -                | -                      | (8)            | (4,575)        |
| Depreciation written out to (Surplus) or Deficit on the Provision of Services | -                             | (237)              | -                     | -                             | -                | -                      | -              | (237)          |
| Derecognition - Disposals   | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassification  | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassification to Assets Held for Sale                                      | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassification to Investment Property                                       | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| <b>Balance as at 31 March 2020</b>  | <b>10,670</b>                 | <b>9,604</b>       | <b>33,640</b>         | <b>10,412</b>                 | <b>-</b>         | <b>-</b>               | <b>55</b>      | <b>64,381</b>  |
| <b>Net Book Value</b>   |                               |                    |                       |                               |                  |                        |                |                |
| <b>Balance as at 31 March 2020</b>  | <b>142,903</b>                | <b>189,600</b>     | <b>69,124</b>         | <b>4,697</b>                  | <b>9</b>         | <b>3,790</b>           | <b>4,463</b>   | <b>414,586</b> |
| <b>Balance as at 31 March 2019</b>  | <b>140,825</b>                | <b>170,653</b>     | <b>66,178</b>         | <b>4,174</b>                  | <b>9</b>         | <b>11,222</b>          | <b>3,391</b>   | <b>396,452</b> |

| 2018/19   | Property, Plant and Equipment |                    |                       |                               |                  |                        |                |                |
|---|-------------------------------|--------------------|-----------------------|-------------------------------|------------------|------------------------|----------------|----------------|
|   | Council Dwellings             | Land and Buildings | Infrastructure Assets | Vehicles, Plant and Equipment | Community Assets | PPE Under Construction | Surplus Assets | Total          |
|   | £'000                         | £'000              | £'000                 | £'000                         | £'000            | £'000                  | £'000          | £'000          |
| <b>Cost or Valuation</b>  |                               |                    |                       |                               |                  |                        |                |                |
| <b>At 1 April 2018</b>  | 146,450                       | 176,934            | 90,617                | 12,827                        | 9                | 4,502                  | 3,122          | 434,461        |
| Adjustment opening balance  | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Additions (Note 20)   | 9,028                         | 4,769              | 2,845                 | 748                           | -                | 11,199                 | -              | 28,589         |
| Revaluation inc./(decr.) to Revaluation Reserve                               | -                             | 1,396              | -                     | -                             | -                | -                      | 153            | 1,549          |
| Revaluation inc./(decr.) to (Surplus) / Deficit on the Prov. of Services      | -                             | (328)              | -                     | -                             | -                | -                      | (1)            | (329)          |
| Derecognition - Disposals   | -                             | (765)              | -                     | -                             | -                | -                      | -              | (765)          |
| Derecognition - other   | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Derecognition - replaced parts  | (7,504)                       | (1,913)            | -                     | -                             | -                | -                      | -              | (9,417)        |
| Reclassification  | -                             | (348)              | 2,787                 | -                             | -                | (2,611)                | 172            | -              |
| Reclassifications & Transfers from Assets Held for Sale                       | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassification to Assets Held for Sale                                      | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassified from Investment Property   | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassified to Investment Property   | -                             | -                  | -                     | -                             | -                | (1,868)                | -              | (1,868)        |
| <b>Balance as at 31 March 2019</b>  | <b>147,974</b>                | <b>179,745</b>     | <b>96,249</b>         | <b>13,575</b>                 | <b>9</b>         | <b>11,222</b>          | <b>3,446</b>   | <b>452,220</b> |
| <b>Depreciation and Impairment</b>  |                               |                    |                       |                               |                  |                        |                |                |
| <b>At 1 April 2018</b>  | 3,577                         | 8,801              | 26,693                | 8,436                         | -                | -                      | 68             | 47,575         |
| Adjustment Cost and Depreciation  | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Depreciation Charge   | 3,572                         | 4,981              | 3,378                 | 965                           | -                | -                      | 9              | 12,905         |
| Depreciation written out to Revaluation Reserve                               | -                             | (4,391)            | -                     | -                             | -                | -                      | (22)           | (4,413)        |
| Depreciation written out to (Surplus) or Deficit on the Provision of Services | -                             | (203)              | -                     | -                             | -                | -                      | -              | (203)          |
| Derecognition - Disposals   | -                             | (96)               | -                     | -                             | -                | -                      | -              | (96)           |
| Reclassification  | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassification to Assets Held for Sale                                      | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| Reclassification to Investment Property                                       | -                             | -                  | -                     | -                             | -                | -                      | -              | -              |
| <b>Balance as at 31 March 2019</b>  | <b>7,149</b>                  | <b>9,092</b>       | <b>30,071</b>         | <b>9,401</b>                  | <b>-</b>         | <b>-</b>               | <b>55</b>      | <b>55,768</b>  |
| <b>Net Book Value</b>   |                               |                    |                       |                               |                  |                        |                |                |
| <b>Balance as at 31 March 2019</b>  | <b>140,825</b>                | <b>170,653</b>     | <b>66,178</b>         | <b>4,174</b>                  | <b>9</b>         | <b>11,222</b>          | <b>3,391</b>   | <b>396,452</b> |
| <b>Balance as at 31 March 2018</b>  | <b>142,873</b>                | <b>168,133</b>     | <b>63,924</b>         | <b>4,391</b>                  | <b>9</b>         | <b>4,502</b>           | <b>3,054</b>   | <b>386,886</b> |

## Revaluations

The Council has £418.224m recognised as Property, Plant and Equipment and Heritage Assets on its Balance Sheet as at the valuation date of 31 March 2020. The Council has now adopted a five-year rolling programme for the valuation of its land and property. However, PPE assets with a fair value of £500k or more are revalued each year. The programme is constructed in such a way as to ensure that entire classes of assets within its land and property portfolio greater than £500k are revalued in a single year. The valuations are undertaken by the Council's in-house valuation team who are members of the Royal Institute of Chartered Surveyors (RICS). The valuations have been completed in accordance with IFRS 13. Non-property assets have not been revalued as the Council has judged that the carrying value of these assets is approximate to fair value, given their relatively short useful economic lives and the relative value of these assets. Additional information on the Council's policy on the measurement and valuation of non-current assets is included in sections 7 to 10 of Note 51 Accounting Policies.

| Revaluation History            | Council Dwellings<br>£'000 | Land & Buildings<br>£'000 | Surplus Assets<br>£'000 | Plant, Vehicles & Equipment<br>£'000 |
|--------------------------------|----------------------------|---------------------------|-------------------------|--------------------------------------|
| Carried at historic cost       | -                          | -                         | -                       | 4,699                                |
| Valued at current value as at: |                            |                           |                         |                                      |
| 31 March 2020                  | 2,078                      | 164,352                   | 4,384                   | -                                    |
| 31 March 2019                  | (2,047)                    | 19,770                    | 20                      | -                                    |
| 31 March 2018                  | 142,872                    | 426                       | -                       | -                                    |
| 31 March 2017                  | -                          | (74)                      | -                       | -                                    |
| 31 March 2016                  | -                          | 5,124                     | 58                      | -                                    |
| <b>Total cost or valuation</b> | <b>142,903</b>             | <b>189,598</b>            | <b>4,462</b>            | <b>4,699</b>                         |

## NOTE 16 - SIGNIFICANT CAPITAL COMMITMENTS

At 31 March 2020, the Council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment, giving rise to significant capital commitments of £7.560m in 2020/21 and future years as shown in the table below. Similar commitments to 31 March 2019 were £0.681m.

|  | Commitment into<br>2020/21 & future<br>years<br>as at 31 March 2020<br>£'000 | Commitment into<br>2019/20 & future<br>years<br>as at 31 March 2019<br>£'000 |
|--|--|--|
| Band A Ysgol 21ain Ganrif – Ysgol Santes Dwynwen | -  | 152  |
| Market Hall Holyhead - Phase II                  | -  | 422  |
| Planned Maintenance Contracts - HRA              | 3,843  | 107  |
| Development of New Properties - HRA              | 2,210  | -  |
| Holyhead Strategic Infrastructure                | 1,396  | -  |
| Beaumaris Flood Alleviation                      | 111  | -  |
| <b>Total</b>                                     | <b>7,560</b>   | <b>681</b>   |

## NOTE 17 – HERITAGE ASSETS

2019/20

|  | Art Collection<br>and Civic<br>Regalia<br>£'000 | Heritage Land<br>& Buildings<br>£'000 | Total Heritage<br>Assets<br>£'000 |
|--|---|---------------------------------------|-----------------------------------|
| <b>Cost or Valuation</b>                       |   |                                       |                                   |
| <b>At 1 April 2019</b>                         | 2,110   | 1,941                                 | 4,051                             |
| <b>Adj to opening</b>                          | -   | (75)                                  | (75)                              |
| Additions                                      | -   | -                                     | -                                 |
| Disposal                                       | -   | -                                     | -                                 |
| Revaluation                                    | -   | 17                                    | 17                                |
| Accumulated Depreciation written out           | -   | (17)                                  | (17)                              |
| <b>At 31 March 2020</b>                        | <b>2,110</b>                                    | <b>1,866</b>                          | <b>3,976</b>                      |
| <b>Accumulated Depreciation and Impairment</b> |   |                                       |                                   |
| <b>At 1 April 2019</b>                         | -   | 375                                   | 375                               |
| <b>Adj to opening</b>                          | -   | (75)                                  | (75)                              |
| Depreciation Charge                            | -   | 53                                    | 53                                |
| Accumulated Depreciation written out           | -   | (17)                                  | (17)                              |
| <b>At 31 March 2020</b>                        | <b>-</b>  | <b>336</b>                            | <b>336</b>                        |
| <b>Net Book Value</b>                          |   |                                       |                                   |
| <b>At 31 March 2020</b>                        | <b>2,110</b>                                    | <b>1,530</b>                          | <b>3,640</b>                      |
| <b>At 31 March 2019</b>                        | <b>2,110</b>                                    | <b>1,566</b>                          | <b>3,676</b>                      |

2018/19

|  | Art Collection<br>and Civic<br>Regalia<br>£'000 | Heritage Land<br>& Buildings<br>£'000 | Total Heritage<br>Assets<br>£'000 |
|--|---|---------------------------------------|-----------------------------------|
| <b>Cost or Valuation</b>                       |   |                                       |                                   |
| <b>At 1 April 2018</b>                         | 2,110   | 1,910                                 | 4,020                             |
| Additions                                      | -   | -                                     | -                                 |
| Disposal                                       | -   | -                                     | -                                 |
| Revaluation                                    | -   | 132                                   | 132                               |
| Accumulated Depreciation written out           | -   | (101)                                 | (101)                             |
| <b>At 31 March 2019</b>                        | <b>2,110</b>                                    | <b>1,941</b>                          | <b>4,051</b>                      |
| <b>Accumulated Depreciation and Impairment</b> |   |                                       |                                   |
| <b>At 1 April 2018</b>                         | -   | 375                                   | 375                               |
| Depreciation Charge                            | -   | 101                                   | 101                               |
| Accumulated Depreciation written out           | -   | (101)                                 | (101)                             |
| <b>At 31 March 2019</b>                        | <b>-</b>  | <b>375</b>                            | <b>375</b>                        |
| <b>Net Book Value</b>                          |   |                                       |                                   |
| <b>At 31 March 2019</b>                        | <b>2,110</b>                                    | <b>1,566</b>                          | <b>3,676</b>                      |
| <b>At 31 March 2018</b>                        | <b>2,110</b>                                    | <b>1,535</b>                          | <b>3,645</b>                      |

## Revaluation of Heritage Assets

A number of Land and Buildings assets have been identified as meeting the definition of Heritage Assets. At 31 March 2020, there were four such assets (unchanged from 31 March 2019):-

Beaumaris Gaol  
Beaumaris Courthouse  
Melin Llynnon Mill  
Pilot Cottages, Ynys Llanddwyn

Beaumaris Gaol and Courthouse are in the process of being transferred freehold to Beaumaris Town Council.

The revaluation of these assets follows the Council's standard revaluation procedures for land and property. The Heritage Assets were last revalued in 2018/19, with those over £500k being revalued during 2019/20 as per the Council's revaluation procedures.

A valuation for the Art Collections was obtained during 2017/18 and the resulting value has been reflected in the Accounts. The valuation is based on a representative sample of the collections. The valuation was carried out by Bonhams of London, a firm of international Art Auctioneers and Valuers.

## NOTE 18 – INVESTMENT PROPERTIES

### a) Investment Properties

|  | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| <b>Balance at start of the year</b>            | 6,000            | 5,791            |
| Additions:                                     |                  |                  |
| - Subsequent expenditure                       | -                | -                |
| Disposals                                      | (105)            | (142)            |
| Net gains/(losses) from fair value adjustments | 294              | (1,518)          |
| Transfers:                                     |                  |                  |
| - (to)/from Asset held for Sale                | -                | -                |
| - (to)/from Property, Plant and Equipment      | -                | 1,869            |
| <b>Balance at end of the year</b>              | <b>6,189</b>     | <b>6,000</b>     |

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has one contractual obligation to construct and develop an industrial unit at Penrhos, Holyhead, as part of a joint venture with the Welsh Government.



**b) Fair Value Measurement of Investment Properties**

**2019/20 Fair Value Hierarchy**

| Recurring fair value measurements using: | Quoted prices in active markets for identical assets (Level 1) | Other significant observable inputs (level 2) | Significant unobservable inputs (level 3) | Fair Value as at 31 March 2020 |
|--|--|---|---|--------------------------------|
|  | £'000  | £'000   | £'000                                     | £'000                          |
| Retail Properties                        | -  | 810   | -   | 810                            |
| Office units                             | -  | 848   | -   | 848                            |
| Commercial units                         | -  | 4,531   | -   | 4,531                          |
| <b>Total</b>                             | -  | <b>6,189</b>                                  | -   | <b>6,189</b>                   |

**2018/19 Fair Value Hierarchy**

| Recurring fair value measurements using: | Quoted prices in active markets for identical assets (Level 1) | Other significant observable inputs (level 2) | Significant unobservable inputs (level 3) | Fair Value as at 31 March 2019 |
|--|--|---|---|--------------------------------|
|  | £'000  | £'000   | £'000                                     | £'000                          |
| Retail Properties                        | -  | 820   | -   | 820                            |
| Office units                             | -  | 658   | -   | 658                            |
| Commercial units                         | -  | 4,522   | -   | 4,522                          |
| <b>Total</b>                             | -  | <b>6,000</b>                                  | -   | <b>6,000</b>                   |

**c) Valuation Approaches used in the Valuation of Investment Properties**

**Retail**

The fair value for the retail properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the Local Authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs is significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

**Investment Properties**

The office and commercial units located in the Local Authority area are measured using the income approach, by means of the discounted cash flow method, where the agreed cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. Yields have been derived from comparable observable valuations/sales. The Authority's investment properties are, therefore, categorised as Level 2 in the fair value hierarchy as the measurement technique uses observable inputs to determine the fair value measurements. In estimating the fair value of the Authority's investment properties, the highest and best use of the properties is their current use.

The fair value of the Authority's investment property is measured annually at each reporting period. All valuations are carried out internally in accordance with the methodologies and base for estimations set out in the professional standards of the Royal Institute of Chartered Surveyors. The Authority's valuations experts work closely with finance officers, reporting directly to the Section 151 Officer on a regular basis regarding all valuation matters.

#### NOTE 18d – EXPENDITURE AND INCOME ON INVESTMENT PROPERTIES

| Expenditure and Income on Investment Properties | 2019/20<br>£000 | 2018/19<br>£000 |
|---|-----------------|-----------------|
|   |                 |                 |
| <b>Expenditure</b>                              | <b>140</b>      | <b>129</b>      |
|   |                 |                 |
| <b>Income</b>                                   | <b>(349)</b>    | <b>(346)</b>    |
|   |                 |                 |
| <b>Net Expenditure/(Income)</b>                 | <b>(209)</b>    | <b>(217)</b>    |

#### NOTE 19 – INTANGIBLE ASSETS

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item within Property, Plant and Equipment.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £169k charged to revenue in 2019/20 was charged to the IT Administration cost centre within the Transformation line of the Net Expenditure of Services.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Council are five years.

#### The Movement in Intangible Assets for the Year is as follows:-

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| <b>Balance at start of year:</b>            |                  |                  |
| Gross carrying amounts                      | 1,969            | 1,835            |
| Accumulated amortisation                    | (1,268)          | (1,079)          |
| <b>Net carrying amount at start of year</b> | <b>701</b>       | <b>756</b>       |
| Additions                                   | 181              | 134              |
| Derecognition                               | (310)            | -                |
| Amortisation for the financial year         | (169)            | (189)            |
| Amortisation - Derecognition                | 98               | -                |
| <b>Net carrying amount at end of year</b>   | <b>501</b>       | <b>701</b>       |
| <b>Comprising:</b>                          |                  |                  |
| Gross carrying amounts                      | 1,840            | 1,969            |
| Accumulated amortisation                    | (1,339)          | (1,268)          |
| <b>Net carrying amount at end of year</b>   | <b>501</b>       | <b>701</b>       |

## NOTE 20 - CAPITAL EXPENDITURE AND FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically that has yet to be financed.

The net movement in the Capital Financing Requirement illustrates the change in the underlying need for the Council to borrow during the year to fund capital investment which has not been funded immediately from resources such as grants, capital receipts and direct funding from revenue.

| Capital Expenditure and Financing  | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| <b>Opening Capital Financing Requirement</b>                               | <b>138,662</b>   | <b>136,866</b>   |
| <b>Capital Invested in Year</b>  |                  |                  |
| Property, Plant and Equipment  | 28,446           | 28,589           |
| Intangible Assets  | 181              | 135              |
| Heritage Assets  | -                | -                |
| Revenue Expenditure Funded from Capital Under Statute (REFCUS)             | 1,388            | 1,954            |
| <b>Total</b>   | <b>30,015</b>    | <b>30,678</b>    |
| <b>Source of Finance</b>   |                  |                  |
| Capital receipts   | (1,050)          | (726)            |
| Reserve  | (224)            | -                |
| Government Grants and Contributions  | (18,156)         | (16,629)         |
| Revenue Provisions   | (7,609)          | (6,357)          |
| Loan   | -                | -                |
| Insurance  | -                | -                |
| REFCUS Grants  | (1,263)          | (1,928)          |
| Minimum Revenue Provision and Set Aside                                    | (3,471)          | (3,242)          |
| <b>Total</b>   | <b>(31,773)</b>  | <b>(28,882)</b>  |
| <b>Net Increase/(Decrease) in Capital Financing Requirement</b>            | <b>(1,758)</b>   | <b>1,796</b>     |
| <b>Closing Capital Financing Requirement</b>                               | <b>136,904</b>   | <b>138,662</b>   |
| <b>Explanation of Movement in Year</b>                                     |                  |                  |
| Increase in underlying need to borrow supported by Government assistance   | 817              | 402              |
| Increase in underlying need to borrow unsupported by Government assistance | 300              | 4,267            |
| Loan   | 596              | 369              |
| Minimum Revenue Provision and Voluntary Set Aside                          | (3,471)          | (3,242)          |
| <b>Net Increase/(Decrease) in Capital Financing Requirement</b>            | <b>(1,758)</b>   | <b>1,796</b>     |

## NOTE 21 – ASSETS HELD FOR SALE

|  | Current                |                        | Non-Current            |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 |
| <b>Balance outstanding at start of year</b>                    | 1,557                  | 2,442                  | -                      | -                      |
| <b>Assets newly classified as held for sale:</b>               |                        |                        |                        |                        |
| Transferred from Property, Plant and Equipment during the year | 270                    | -                      | -                      | -                      |
| Transfer to Property, Plant and Equipment                      | (108)                  | -                      | -                      | -                      |
| Transfer to Investment Property                                | -                      | -                      | -                      | -                      |
| Costs of Assets Sold   | (957)                  | (864)                  | -                      | -                      |
| Revaluation  | -                      | (21)                   | -                      | -                      |
| <b>Balance outstanding at year-end</b>                         | <b>762</b>             | <b>1,557</b>           | <b>-</b>               | <b>-</b>               |

## NOTE 22 – LEASES

### Operating Leases

The Council had leased one property at 31 March 2020 for its homelessness function (five properties at 31 March 2019) and the lease rentals for the year totalled £0.028m (£0.052m in 2018/19).

The Council also holds certain items of plant and equipment under operating leases or rental agreements within schools and other Council departments. The charge to revenue for these items is £0.175m in 2019/20 (£0.097m in 2018/19).

During the year, the Council leased out one property on long-term lease, however, it was already taken off the Balance Sheet in 2005, with the creation of a new lease in 2019/20 to incorporate a name change. The Council also leased out a number of other assets on short-term leases which have, therefore, remained on the Council's Balance Sheet.

The Council currently has two vehicles leased in until April and July 2020, after which a decision will then be made whether to purchase or return them to the supplier. Consequently, they are not on the Council's Balance Sheet but an annual charge of £10k is incurred for these vehicles.

As at 31<sup>st</sup> March 2020, the transfer of Beaumaris Gaol and Court and the leasing out of Melin Llynnon were not yet complete and, therefore, were still in the Council's ownership. It is likely that Melin Llynnon will be leased as an operating lease and will remain on the Balance Sheet. The Gaol and Court will be transferred to Beaumaris Town Council on a freehold basis and will be taken off the Balance Sheet. The transfer of these assets is expected to complete in early 2020/21.

## NOTE 23 – INVENTORIES

In undertaking its work, the Council holds reserves of inventories together with amounts of uncompleted work (work-in-progress). The figure shown in the Balance Sheet may be subdivided as follows:-

|  | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 |
|--|------------------------|------------------------|
| Salt Stock   | 137                    | 120                    |
| Gofal Môn - Social Services Supplies                                     | 62                     | 62                     |
| Other - Stationery and other consumables, fuel and goods held for resale | 132                    | 118                    |
| <b>Total</b>   | <b>332</b>             | <b>300</b>             |

## NOTE 24 – DEBTORS

|                          | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 |
|--------------------------|------------------------|------------------------|
| Trade Receivables        | 3,131                  | 4,761                  |
| Prepayments              | 1,342                  | 901                    |
| Other Receivable Amounts | 28,299                 | 24,257                 |
| <b>Total</b>             | <b>32,772</b>          | <b>29,919</b>          |

The above debtors' figures are net of bad debt provisions totalling £5.618m in 2019/20 (£5.639m in 2018/19), which can be analysed as follows:-

|               | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 | Movement in<br>Year |
|---------------|------------------------|------------------------|---------------------|
| Council Tax   | 1,839                  | 1,699                  | 140                 |
| NDR           | 391                    | 561                    | (170)               |
| Rents         | 544                    | 472                    | 72                  |
| Trade Debtors | 1,368                  | 1,347                  | 21                  |
| Other         | 1,476                  | 1,560                  | (84)                |
| <b>Total</b>  | <b>5,618</b>           | <b>5,639</b>           | <b>(21)</b>         |

## NOTE 25 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flow can be reconciled to the related items in the Balance Sheet as follows:

|                        | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 |
|------------------------|------------------------|------------------------|
| Cash and Bank balances | 23,045                 | 15,825                 |
| Bank Overdraft         | -                      | -                      |
| <b>Total</b>           | <b>23,045</b>          | <b>15,825</b>          |

## NOTE 26 – CREDITORS

|                 | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 |
|-----------------|------------------------|------------------------|
| Trade Creditors | 2,130                  | 1,187                  |
| Other Payables  | 18,458                 | 17,121                 |
| <b>Total</b>    | <b>20,588</b>          | <b>18,308</b>          |

## NOTE 27 – PROVISIONS

|   | Balance at 1<br>April 2018<br>£'000 | Increase in<br>Provisions<br>during year<br>£'000 | Utilised during<br>year<br>£'000 | Balance at 31<br>March 2019<br>£'000 | Increase in<br>Provisions<br>during year<br>£'000 | Utilised during<br>year<br>£'000 | Balance at 31<br>March 2020<br>£'000 |
|---|-------------------------------------|---|----------------------------------|--------------------------------------|---|----------------------------------|--------------------------------------|
| Insurance Claims Provision                          | 265                                 | 354   | (349)                            | 270                                  | 345   | (278)                            | 337                                  |
| Penhesgyn Waste Site                                | 4,631                               | 278   | (104)                            | 4,805                                | -   | (39)                             | 4,766                                |
| Caterlink Pension Provision                         | 75                                  | -   | (75)                             | -                                    | -   | -                                | -                                    |
| Home Carers Travel Provision                        | 159                                 | -   | -                                | 159                                  | -   | (119)                            | 40                                   |
| Supreme Court Judgement - Nursing Care              | 196                                 | -   | (196)                            | -                                    | -   | -                                | -                                    |
| G & A Additional Learning Needs & Inclusion Service | -                                   | -   | -                                | -                                    | 37  | -                                | 37                                   |
| <b>Total</b>  | <b>5,326</b>                        | <b>632</b>  | <b>(724)</b>                     | <b>5,234</b>                         | <b>382</b>  | <b>(436)</b>                     | <b>5,180</b>                         |
| <b>Short-Term Provisions</b>                        | <b>695</b>                          | <b>354</b>  | <b>(620)</b>                     | <b>429</b>                           | <b>382</b>  | <b>(397)</b>                     | <b>414</b>                           |
| <b>Long-Term Provisions</b>                         | <b>4,631</b>                        | <b>278</b>  | <b>(104)</b>                     | <b>4,805</b>                         | <b>-</b>  | <b>(39)</b>                      | <b>4,766</b>                         |
| <b>Total</b>  | <b>5,326</b>                        | <b>632</b>  | <b>(724)</b>                     | <b>5,234</b>                         | <b>382</b>  | <b>(436)</b>                     | <b>5,180</b>                         |

### Purpose of Main Provisions

#### Insurance Claims Provision

The Council's external insurance policies have excess deductible amounts, which mean that the first part of any loss or claim under these policies is self-insured and protected by means of a stop-loss. The Council's general and education properties are not externally insured against the following perils: escape of water from any tank or pipe, flood, impact, theft, accidental damage, subsidence, ground heave, landslip. With the exception of theft and accidental damage, losses resulting from these perils are normally funded from the insurance reserve. The balance on the insurance provision is the expected liability for the self-insured element of known claims which had not been settled at year-end.

#### Penhesgyn Waste Site

The provision is for the aftercare of the areas of the site formerly used for landfill. There is no defined timescale for this work to be completed although, for management purposes, a time span of 30 years has been used on an ongoing basis until there is evidence that a shorter period would be sufficient.

#### Other Short-term Provisions created in 2019/20

One short-term provision was brought forward from 2018/19, and one new short-term provision was created during 2019/20, for liabilities the Council is likely to incur due to past events.

A provision of £159k held in relation to Home Carers' Travel was brought forward from 2018/19. The first wave of payments has been made and settled by the Council. The expected value of the settlements for the second wave of payments has been reviewed, and is expected to be in the region of £40k. Settlement for this liability was originally delayed and has taken longer than anticipated as a result of a settlement offer being rejected. Settlement is expected to be made within 12 months of the reporting date.

A provision of £37k has been created within 2019/20 as the Council is liable to contribute towards the central services costs of the Gwynedd and Anglesey Additional Learning Needs and Inclusion Service, a service that is hosted by Gwynedd Council.

## NOTE 28 – CASH FLOW FROM OPERATING ACTIVITIES

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| <b>Adjustment to surplus or deficit on the Provision of Services for non-cash movements</b>   |                  |                  |
| Depreciation, Impairment and amortisation   | 13,648           | 13,195           |
| Downward/(upwards) revaluations and non-sale derecognitions   | 10,408           | 9,623            |
| (Increase)/Decrease in Inventories  | (31)             | 85               |
| (Increase)/Decrease in Debtors  | (2,951)          | (5,280)          |
| Increase/(Decrease) in impairments for Bad Debts  | (21)             | 96               |
| Increase/(Decrease) in Creditors  | 2,338            | (94)             |
| Increase/(Decrease) in Capital Grants receipts in advance   | (822)            | (1,082)          |
| Transactions within the CIES relating to retirement benefits  | 13,281           | 9,808            |
| Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised  | 1,062            | 1,675            |
| Contributions to/(from) Provisions  | (54)             | (92)             |
| Movement in value of investment properties - Impairment and downward revaluations (and non-sale derecognitions)                         | (295)            | 1,518            |
| <b>Total</b>  | <b>36,563</b>    | <b>29,452</b>    |
| <b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b> |                  |                  |
| Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale                                   | (1,195)          | (1,592)          |
| Capital grants included in "Taxation and non-specific grant income"   | (18,156)         | (16,629)         |
| <b>Total</b>  | <b>(19,351)</b>  | <b>(18,221)</b>  |

## NOTE 29 – CASH FLOW FROM INVESTING ACTIVITIES

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| Purchase of Property, Plant and Equipment, Heritage Assets, Investment Properties and Intangible Assets | (28,627)         | (28,724)         |
| Short-term Investments (not considered to be cash equivalents)  | -                | -                |
| Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale   | 1,195            | 1,592            |
| Capital Grants and Contributions Received   | 18,156           | 16,629           |
| <b>Net Cash flows from Investing Activities</b>   | <b>(9,276)</b>   | <b>(10,503)</b>  |

## NOTE 30 – CASH FLOW FROM FINANCING ACTIVITIES

### NOTE 30a – CASH FLOW FROM FINANCING ACTIVITIES

|  | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| Cash Receipts from Short and Long-Term Borrowing   | 6,684            | 15,520           |
| Cash movements on Houses into Homes agency schemes | 2                | 220              |
| Other  | (250)            | (270)            |
| <b>Net Cash flows from Financing Activities</b>    | <b>6,436</b>     | <b>15,470</b>    |

**NOTE 30b - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITY**

**2019/20**

| Reconciliation of Liabilities Arising from Financing Activities | 2019/20<br>1 April<br>£'000 | Financing<br>Cash Flows<br>£'000 | Non-Cash<br>Changes | 2019/20<br>31 March<br>£'000 |
|---|-----------------------------|----------------------------------|---------------------|------------------------------|
| Long-term borrowings  | 127,352                     | (2,928)                          | -                   | 124,424                      |
| Short-term borrowings   | 7,535                       | 9,612                            | (309)               | 16,838                       |
| <b>Net Cash flows from Financing Activities</b>                 | <b>134,887</b>              | <b>6,684</b>                     | <b>(309)</b>        | <b>141,262</b>               |

**2018/19**

| Reconciliation of Liabilities Arising from Financing Activities | 2018/19<br>1 April<br>£'000 | Financing<br>Cash Flows<br>£'000 | Non-Cash<br>Changes | 2018/19<br>31 March<br>£'000 |
|---|-----------------------------|----------------------------------|---------------------|------------------------------|
| Long-term borrowings  | 106,913                     | 20,439                           | -                   | 127,352                      |
| Short-term borrowings   | 12,413                      | (4,919)                          | 41                  | 7,535                        |
| <b>Net Cash flows from Financing Activities</b>                 | <b>119,326</b>              | <b>15,520</b>                    | <b>41</b>           | <b>134,887</b>               |

**Note 30c - INTEREST RECEIVED AND PAID ON FINANCING ACTIVITIES**

|                   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|-------------------|------------------|------------------|
| Interest Received | (112)            | (64)             |
| Interest Paid     | 6,012            | 5,870            |



## NOTE 31 – NATURE OF EXPENSES NOTE

### NOTE 31a

The Comprehensive Income and Expenditure Statement provides financial information in relation to expenditure and income per service. This nature of expenses note provides financial information per type of expenditure rather than by service.

|  | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| <b>Expenditure</b>                                       |                  |                  |
| Employee benefits  | 98,417           | 94,305           |
| Other services   | 109,000          | 105,715          |
| Depreciation, amortisation, impairment and revaluations  | 13,353           | 14,713           |
| Interest payments  | 9,266            | 8,720            |
| De-recognition and Impairment of Financial Assets        | 321              | 465              |
| Precepts and levies                                      | 13,749           | 12,610           |
| (Gain)/loss on the disposal of assets                    | 9,356            | 9,518            |
| <b>Total Expenditure</b>                                 | <b>253,462</b>   | <b>246,046</b>   |
| <b>Income</b>  |                  |                  |
| Fees, charges and other service income                   | (31,621)         | (30,801)         |
| Interest and investment income                           | (316)            | (300)            |
| Income from council tax, non-domestic rates              | (72,187)         | (67,180)         |
| Government grants and contributions                      | (142,189)        | (139,603)        |
| <b>Total Income</b>                                      | <b>(246,313)</b> | <b>(237,884)</b> |
|  |                  |                  |
| <b>(Surplus) or Deficit on the Provision of Services</b> | <b>7,149</b>     | <b>8,162</b>     |

### NOTE 31b - REVENUE FROM CONTRACTS WITH SERVICE RECIPIENTS

#### Income from service recipients

Local authorities were required to implement a new financial standard, IFRS 15 Revenue from Contracts with Customers, from 1 April 2018. This applies to income from individuals or organisations who have contracted to receive a service or goods from the Council as part of the Authority's normal operating activities. The term 'Contracts' is interpreted widely to include most of the Council's fees, charges and rents where services/goods are provided for those fees, charges and rents. Contracts can be written, oral or implied by the Council's normal business practices. Statutory charges such as Council Tax, Non Domestic Rates (NDR) and fines are excluded from IFRS 15 and are not included in any of the information about income from service recipients. Grants and contributions are also excluded. The Council receives significant grants and contributions each year. Note 37 provides details of grants and contributions received by the Council for 2019/20 and 2018/19.

**Table 31b.1** below summarises the income received from service recipients in accordance with IFRS 15:-

| <b>Revenue From Contracts with Service Recipients</b>                   | <b>2019/20</b>  | <b>2018/19</b>  |
|---|-----------------|-----------------|
|   | <b>£'000</b>    | <b>£'000</b>    |
| Revenue From Contracts with Service Recipients                          | (31,621)        | (30,597)        |
| Impairment of receivables or contract assets                            | (2)             | 290             |
| <b>Total included in Comprehensive Income and Expenditure Statement</b> | <b>(31,623)</b> | <b>(30,307)</b> |

**Table 31b.2** - Amounts included in the Balance Sheet for Amounts owed for Contracts with Service Recipients:-

| <b>Amounts included in the Balance Sheet for Contracts with Service Recipients</b> | <b>2019/20</b> | <b>2018/19</b> |
|--|----------------|----------------|
|  | <b>£'000</b>   | <b>£'000</b>   |
| Receivables, which are included in debtors (Note 24)                               | 6,078          | 5,981          |
| Contract Assets  | -              | -              |
| Contract Liabilities   | -              | -              |
| <b>Total included in Net Assets</b>  | <b>6,078</b>   | <b>5,981</b>   |

Most transactions the Council enters into with service recipients are straightforward. All transaction prices are based on the Council's Fees and Charges booklet which has been approved by the Executive and which are outlined on the Council's website at the following link/web address <https://www.anglesey.gov.uk/en/Council/Council-finances/Council-fees-and-charges.aspx> Service recipients, typically, are given 14 days to pay the Council fees and charges owed. This excludes fees and charges payable at the point of provision of the goods/services.

Contracts can relate to the financial year from 1 April 2019 to 31 March 2020. Any income not received by the end of March is accrued to match with the services provided. Some income is received at the same time as the service/good is provided, for example, sale of gifts in the Oriel shop, admission for a swimming session at the Leisure Centres. One of the most complex income types relates to fees and charges for complex Adult Social Care placements. These charges can be deferred until income is available from sale of property. The Adult Services does recognise this income each financial year, despite it being deferred to match with the period when the care is provided.

## NOTE 32 – TRADING OPERATIONS

Part 3.4.6.2 of the Cipfa Code 2019/20 removed the need to disclose trading operations in English, Northern Irish and Welsh Authorities from 2019/20 onwards.

## NOTE 33 - MEMBERS' ALLOWANCES

A total of £0.700m (£0.686m in 2018/19) was paid in respect of allowances to Council Members during the year as follows:-

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| Basic and Special responsibility allowances | 582              | 569              |
| Chairman and Deputy Chairman's Allowance    | 12               | 6                |
| Pension Costs                               | 48               | 45               |
| National Insurance Costs                    | 46               | 45               |
| Travel Costs                                | 6                | 8                |
| Subsistence                                 | 1                | 2                |
| Miscellaneous                               | 5                | 11               |
| <b>Total</b>                                | <b>700</b>       | <b>686</b>       |

In addition, the Council spent £24,025 on expenses for lay members (£21,853 in 2018/19).

## NOTE 34 – OFFICERS' REMUNERATION

The number of employees whose actual remuneration paid was more than £60k but not more than £150k in 2019/20, excluding pension contributions but including severance pay, is as follows:

| Officer Remuneration | Non-Schools<br>2019/20<br>Number of<br>Employees | Non-Schools<br>2018/19<br>Number of<br>Employees | Schools<br>2019/20<br>Number of<br>Employees | Schools<br>2018/19<br>Number of<br>Employees |
|----------------------|--|--|--|--|
| £60,000 to £64,999   | 1  | -  | 3  | 5  |
| £65,000 to £69,999   | 1  | -  | 3  | 3  |
| £70,000 to £74,999   | 1  | 2  | 1  | 3  |
| £75,000 to £79,999   | 4  | 4  | 1  | -  |
| £80,000 to £84,999   | -  | 1  | 1  | 2  |
| £85,000 to £89,999   | 2  | 2  | 1  | 1  |
| £90,000 to £94,999   | -  | -  | -  | -  |
| £95,000 to £99,999   | -  | -  | -  | -  |
| £100,000 to £104,999 | -  | -  | -  | -  |
| £105,000 to £109,999 | 1  | -  | -  | -  |
| £110,000 to £114,999 | -  | -  | -  | -  |
| £115,000 to £119,999 | -  | 1  | -  | -  |
| £120,000 to £124,999 | -  | -  | 1  | -  |
| <b>Total</b>         | <b>10</b>  | <b>10</b>  | <b>11</b>                                    | <b>14</b>                                    |

The following table provides details of remuneration paid to senior employees who are employed on a permanent basis and whose annual salaries and other benefits exceed £60k per annum. Senior employees whose remuneration exceeds £150k per annum are also named individually to comply with statutory requirements:-

| Senior Officer Remuneration 2019/20                          | Salary, Fees and Allowances<br>£'000 | Expenses Allowances<br>£'000 | Compensation for loss of Office<br>£'000 | Pension Contribution<br>£'000 | Total<br>£'000 |
|--|--------------------------------------|------------------------------|--|-------------------------------|----------------|
| Chief Executive *  | 59                                   | -                            | -  | 11                            | 70             |
| Chief Executive **   | 59                                   | -                            | -  | 11                            | 70             |
| Deputy Chief Executive ***                                   | 40                                   | -                            | -  | 7                             | 47             |
| Assistant Chief Executive ***                                | 47                                   | -                            | -  | 9                             | 56             |
| Director of Function (Council Business) / Monitoring Officer | 78                                   | -                            | -  | 15                            | 93             |
| Director of Function (Resources) & S151                      | 87                                   | 1                            | -  | 16                            | 104            |
| Director of Social Services                                  | 87                                   | 1                            | -  | 16                            | 104            |
| Director of Education, Skills and Young People               | 50                                   | -                            | -  | 9                             | 59             |
| Director of Place & Community Wellbeing                      | 49                                   | 1                            | -  | 9                             | 59             |
| Head of Service: HR & Transformation                         | 76                                   | 1                            | -  | 14                            | 91             |
| Head of Service: Housing                                     | 75                                   | 1                            | -  | 14                            | 90             |
| Head of Regulation and Economic Development                  | 15                                   | 1                            | -  | 3                             | 19             |
| Head of Lifelong Learning                                    | 32                                   | 1                            | -  | 6                             | 39             |
| Head of Service: Children & Families                         | 78                                   | 1                            | -  | 15                            | 94             |
| Head of Service: Highways, Waste & Property                  | 74                                   | 1                            | -  | 14                            | 89             |
| <b>Total</b>   | <b>906</b>                           | <b>9</b>                     | <b>-</b>                                 | <b>169</b>                    | <b>1,084</b>   |

\* Note: Chief Executive in post since 1/10/19. Returning Officer element of Chief Executive salary is £2,224 and is not included in the figures above.

\*\* Note: Chief Executive left post on 30/9/19. Returning Officer element of Chief Executive salary is £2,224 and is not included in the figures above.

\*\*\* Note: Assistant Chief Executive left post on 30/09/2019 and Deputy Chief Executive commenced on 04/11/2019.

Comparative figures for 2018/19 are shown in the following table:-

| Senior Officer Remuneration 2018/19         | Salary, Fees and Allowances<br>£'000 | Expenses Allowances<br>£'000 | Compensation for loss of Office<br>£'000 | Pension Contribution<br>£'000 | Total<br>£'000 |
|---|--------------------------------------|------------------------------|--|-------------------------------|----------------|
| Chief Executive *                           | 116                                  | 1                            | -  | 21                            | 138            |
| Assistant Chief Executive                   | 88                                   | 1                            | -  | 17                            | 106            |
| Assistant Chief Executive                   | 80                                   | 2                            | -  | 15                            | 97             |
| Head of Council Business                    | 77                                   | -                            | -  | 14                            | 91             |
| Head of Resources and Section 151 Officer   | 84                                   | 1                            | -  | 16                            | 101            |
| Head of Profession HR                       | 71                                   | -                            | -  | 13                            | 84             |
| Head of Housing                             | 63                                   | 1                            | -  | 12                            | 76             |
| Head of Regulation and Economic Development | 75                                   | -                            | -  | 14                            | 89             |
| Head of Lifelong Learning                   | 73                                   | -                            | -  | 14                            | 87             |
| Head of Children's Services                 | 76                                   | 1                            | -  | 14                            | 91             |
| Head of Adult Services                      | 77                                   | -                            | -  | 14                            | 91             |
| Head of Highways, Property and Waste        | 64                                   | 1                            | -  | 12                            | 77             |
| Head of Corporate Transformation            | -                                    | -                            | -  | -                             | -              |
| Chief Planning Officer - Energy Island      | -                                    | -                            | -  | -                             | -              |
| <b>Total</b>                                | <b>944</b>                           | <b>8</b>                     | <b>-</b>                                 | <b>176</b>                    | <b>1,128</b>   |

\*

\*Note: Within the Chief Executive's salaries, fees and allowances a Returning Officer payment is included.

The remuneration ratio of the Chief Executive to the median remuneration of all employees during 2019/20 is 6.24:1 (6.35:1 in 2018/19).

### NOTE 35 - TERMINATION PAYMENTS

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies is set out in the table below:-

| Exit Cost Band<br>(including special payments) | Number of compulsory redundancies |           | Number of other departures agreed |           | Total number of exit packages by cost band |           | Total cost of exit packages |                  |
|--|-----------------------------------|-----------|-----------------------------------|-----------|--|-----------|-----------------------------|------------------|
|  | 2019/20                           | 2018/19   | 2019/20                           | 2018/19   | 2019/20                                    | 2018/19   | 2019/20<br>£'000            | 2018/19<br>£'000 |
| £0 - £20,000                                   | 38                                | 36        | 29                                | 19        | 67   | 55        | 315                         | 342              |
| £20,001 - £40,000                              | 1                                 | 5         | 5                                 | 8         | 6  | 13        | 175                         | 343              |
| £40,001 - £60,000                              | -                                 | -         | -                                 | 3         | -  | 3         | -                           | 141              |
| £60,001 - £80,000                              | -                                 | -         | -                                 | -         | -  | -         | -                           | -                |
| £80,001 - £100,000                             | -                                 | -         | -                                 | -         | -  | -         | -                           | -                |
| £100,001 - £250,000                            | -                                 | -         | -                                 | -         | -  | -         | -                           | -                |
| <b>Total</b>                                   | <b>39</b>                         | <b>41</b> | <b>34</b>                         | <b>30</b> | <b>73</b>                                  | <b>71</b> | <b>490</b>                  | <b>826</b>       |

## NOTE 36 – EXTERNAL AUDIT FEES

The Council has incurred the following costs relating to external audit and inspection:-

|  | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for the year    | 192              | 192              |
| Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for prior years | -                | -                |
| Fees payable to Wales Audit Office in respect of statutory inspections   | 100              | 100              |
| Fees payable to Wales Audit Office for the certification of grant claims and returns for the year                              | 135              | 135              |
| <b>Total</b>   | <b>427</b>       | <b>427</b>       |

## NOTE 37 – GRANTS INCOME

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2019/20 and 2018/19 as follows:-

|   | Note | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------|------------------|------------------|
| <b>Credited to Taxation and Non-Specific Grant Income</b> |      |                  |                  |
| Revenue Support Grant (Non-ring-fenced Government Grants) | 14   | 73,037           | 73,238           |
| Capital Grants and Contributions                          | 14   | 13,954           | 13,958           |
| Grant - HRA (Capital Grants and Contributions)            | 14   | 4,202            | 2,671            |
| Other (Non-ring-fenced Government Grants)                 | 14   | -                | -                |
| <b>Total</b>  |      | <b>91,193</b>    | <b>89,867</b>    |
| <b>Credited to Services</b>                               |      |                  |                  |
| <b>Grants:</b>  |      |                  |                  |
| Post-16 Grant (Education)                                 |      | 2,320            | 2,356            |
| Flying Start (Education)                                  |      | 1,410            | 1,419            |
| Foundation Phase Grants (Education)                       |      | -                | -                |
| Education Improvement Grant (Education)                   |      | 2,847            | 2,751            |
| Pupil Development Grant (Education)                       |      | 1,685            | 1,687            |
| Concessionary Fares Grant                                 |      | 728              | 722              |
| Housing Benefit Subsidy                                   |      | 16,774           | 18,370           |
| Supporting People Grant (SPG & SPRG)                      |      | 2,644            | 2,708            |
| Environment and Sustainable Development Grant             |      | 691              | 479              |
| <b>Total</b>  |      | <b>29,099</b>    | <b>30,492</b>    |
| <b>Other Grants:</b>                                      |      |                  |                  |
| Lifelong Learning   |      | 4,760            | 3,256            |
| Adult Services  |      | 1,008            | 585              |
| Children's Services                                       |      | 897              | 900              |
| Housing   |      | 1,330            | 1,146            |
| Highways, Property and Waste                              |      | 1,922            | 1,460            |
| Economic Development and Regulatory                       |      | 2,609            | 1,094            |
| Corporate Transformation                                  |      | 222              | 220              |
| Resources   |      | 600              | 578              |
| Council Business  |      | 10               | 11               |
| Corporate and Democratic Costs                            |      | 10               | 100              |
| Corporate Finance   |      | -                | -                |
| Housing Revenue Account                                   |      | 13               | 88               |
| <b>Total</b>  |      | <b>13,381</b>    | <b>9,438</b>     |
| <b>Contributions:</b>                                     |      |                  |                  |
|   |      | <b>8,515</b>     | <b>9,809</b>     |
| <b>Total</b>  |      | <b>142,188</b>   | <b>139,606</b>   |

## Capital Grants Received in Advance

The following capital grants were received in advance and have not been applied to the Comprehensive Income and Expenditure Statement:-

| Capital Grants and Contributions Received in Advance                                  | 2019/20<br>£'000 |
|---|------------------|
| <b>Welsh Government Capital Grants and Contributions Received in Advance:</b>         |                  |
| TMF Grant   | 124              |
| Welsh Government contribution to Construction of Penrhos Industrial Units, Holyhead   | 713              |
| 21st Century Schools  | 388              |
| Affordable Housing Scheme   | 155              |
| Childcare small grant scheme  | 52               |
| Local Transport Fund  | 87               |
| Contaminated Land   | 35               |
| Small Grant Scheme  | 100              |
| Area of Outstanding Natural Beauty Grant  | 100              |
| Community Disabled Hub Grant  | 10               |
| <b>Capital Grants and Contributions Received in Advance from other Organisations:</b> |                  |
| Holyhead Gateway Reclamation  | 139              |
| Sports Council for Wales  | 5                |
| Market hall HLF   | 54               |
| Section 106 Commuted Sum Herb Garden  | 12               |
| Young People - Housing Regeneration Investment Wales                                  | 19               |
| <b>Total</b>  | <b>1,993</b>     |

| Capital Grants and Contributions Received in Advance                                  | 2018/19<br>£'000 |
|---|------------------|
| <b>Welsh Government Capital Grants and Contributions Received in Advance:</b>         |                  |
| TMF Grant   | 124              |
| MALD Grant - Market Hall  | 152              |
| Welsh Government contribution to Construction of Penrhos Industrial Units, Holyhead   | 1,511            |
| 21st Century Schools  | 402              |
| Affordable Housing Scheme   | 155              |
| Childcare small grant scheme  | 165              |
| <b>Capital Grants and Contributions Received in Advance from other Organisations:</b> |                  |
| Holyhead Gateway Reclamation  | 306              |
| <b>Total</b>  | <b>2,815</b>     |



## NOTE 38 – RELATED PARTIES

The Council is required to disclose information in relation to the Authority's transactions and outstanding balances with its related parties. The materiality of individual transactions arising through related parties and the following disclosures are concerned with transactions between the Council and its related parties.

### Members

The Council appoints members to certain public, charitable and voluntary bodies, which are independent from the Council but have an impact on its service areas. In order that the Council can maintain effective partnerships with a number of these organisations, representatives of the Council, usually elected Councillors, sit on the various committees and forums that are responsible for them. A list of the outside bodies and the Council's representation can be found in Appendix 1.

During 2019/20, a total of £3.087m was paid in grants for the purchase of services from these bodies (£2.891m in 2018/19). A summary of the individual organisations (where not disclosed elsewhere) which have transactions with the Council in excess of £0.02m: -

### 2019/20

| Related Party                | Relationship   | Payments Made<br>£'000 | Amount owed by<br>the Council<br>£'000 | Amounts owing<br>to the Council<br>£'000 |
|------------------------------|--|------------------------|--|--|
| Grwp Llandrillo Menai        | Member appointed by the Council to be a representative | 242                    | 2                                      | 4  |
| Medrwn Môn                   | Member appointed by the Council to be a representative | 221                    | -                                      | -  |
| University Of Wales - Bangor | Member appointed by the Council to be a representative | 70                     | -                                      | 2  |
| Ynys Môn C A B Ltd           | Member appointed by the Council to be a representative | 107                    | -                                      | -  |
|                              |  | <b>640</b>             | <b>2</b>                               | <b>6</b>                                 |

### 2018/19

| Related Party                | Relationship   | Payments Made<br>£'000 | Amount owed by<br>the Council<br>£'000 | Amounts owing<br>to the Council<br>£'000 |
|------------------------------|--|------------------------|--|--|
| Grwp Llandrillo Menai        | Member appointed by the Council to be a representative | 282                    | -                                      | 10                                       |
| Medrwn Môn                   | Member appointed by the Council to be a representative | 123                    | -                                      | -  |
| University Of Wales - Bangor | Member appointed by the Council to be a representative | 32                     | 36                                     | 19                                       |
| Ynys Môn C A B Ltd           | Member appointed by the Council to be a representative | 93                     | -                                      | -  |
|                              |  | <b>530</b>             | <b>36</b>                              | <b>29</b>                                |

The Council is a member of the Welsh Local Government Association, to which subscriptions of £0.096m were paid in 2019/20 (£0.097m in 2018/19).

Members have declared interests in contracts or in organisations which may have dealings with the Council in the Statutory Register of Members' Interests. A total of £0.838m was paid by the Council in 2019/20 in relation to these interests (£0.686m in 2018/19).

### **Senior Officers**

Senior Officers are required to complete a personal declaration of interest, stating any interests they may hold with any organisation which may receive payments from the Council. No material related party transaction occurred in relation to senior officers in 2019/20.

### **Government**

Betsi Cadwalader University Health Board, through common control by central Government, is a related party to the Council. Payments made by the Council for 2019/20 to BCUHB amounted to £1.162m (£1.160m in 2018/19) and £0.348m was owing at year-end. Receipts taken in by the Council from BCUHB came to £4.410m (£2.077m in 2018/19), with £1.632m due from our related party at year-end.

### **INTERESTS IN COMPANIES**

The Council has an interest in the following company, where the other member is Gwynedd Council, but it does not have significant influence over the company:-

#### **Cwmni Cynnal Cyf**

This company was established jointly by the Isle of Anglesey and Gwynedd County Councils on local government reorganisation. It provides education support services under contract to maintained schools and to the local education authorities and schools inspection services to Estyn. The income of the company can only be applied towards the promotion of its objectives. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

The company accounts for 2018/19 show a net loss of £0.175m (£0.148m loss 2017/18). The turnover for 2018/19 was £2.188m (£2.396m 2017/18). The company's published accounts show net liabilities of £0.782m as at 31 March 2019 (net liabilities were £0.131m at 31 March 2018).

Copies of the financial statements are available from Cwmni Cynnal Cyf, Plas Llanwnda, Caernarfon, Gwynedd. The auditor's report on the accounts for the financial year ended 31 March 2019 is not qualified. During the 2019/20 financial year, the Council accounted for costs of £0.625m (£0.583m in 2018/19) relating to the purchase of services from the company.

This company appointed Ieuan Williams as its Chief Executive Officer in 2017. Ieuan Williams is a Councillor of the Authority and holds the role of Deputy Leader and Portfolio Holder for Service Transformation and the Welsh Language.

The Council also has interests in the following companies:-

### **Welsh Joint Education Committee - WJEC CBAC Limited**

The Council is a member of WJEC CBAC Limited, a charitable company whose members are the 22 Welsh unitary authorities and whose objectives are to provide examination services and to provide and promote other educational and cultural services. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

During the 2019/20 financial year, the Council accounted for £0.402m (£0.377m 2018/19) for purchase of services from the company.

The company accounts for 2017/18 (that is to year ended 30 September) show a net positive movement in funds of £7.774m (net positive movement in funds of £20.390m 2016/17). The turnover for 2017/18 was £45.114m (£44.977m 2016/17) and net assets amounted to £47.232m as at 30 September 2018 (£39.458m as at 30 September 2017).

Copies of the company's accounts can be obtained from WJEC CBAC Limited, 245 Western Avenue, Llandaff, Cardiff, CF5 2YX. The auditor's report for the financial year ended 30 September 2018 is not qualified.

### **Menter Môn Cyfyngedig**

The Council is a member of Menter Môn Cyf, and was one out of a total of three members at 31 March 2020. The company's objectives are to promote economic growth in rural Anglesey. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

During the 2019/20 financial year, the Council made payments of £0.100m to the company in support of the activities (£0.124m 2018/19).

The company accounts for the financial year ended 31 December 2018 shows net loss of £0.146m (net profit before tax of £0.083m in 2017). The turnover for 2018 was £5.050m (£2.674m in 2017) and net assets amounted to £0.206m as at 31 December 2018 (net assets of £0.176m in 2017).

Copies of the company's accounts can be obtained from Menter Môn, Llangefni Town Hall, Buckley Square, Llangefni, Anglesey, LL77 7LR. The auditor's report on the accounts for the financial year ended 31 December 2018 is not qualified.

### **Caergeiliog Foundation School**

Balances for current assets and liabilities controlled by Caergeiliog Foundation School are included in these accounts and so the school's reserves, as stated in this Balance Sheet, represent only the net current assets. The school also has non-current assets that are stated on the school's Balance Sheet at £0.725m at 31 March 2020 (£0.785m at 31 March 2019), on a combination of valuation and historical cost, less depreciation. The non-current assets are vested in the school's Governing Body and are not consolidated in this Council's Balance Sheet.

### **NOTE 39 - TRUST FUNDS**

The Council acts as trustee for a number of trust funds. Their accounts are available from the Accountancy Section, Resources, Council Offices, Isle of Anglesey County Council, Llangefni, Anglesey LL77 7TW. Besides the legacies left for purposes such as prize funds at schools and comforts and improvements in Social Services establishments, the Council is also responsible for the following Trust funds.

During 2019/20, the Head of Function (Resources) / Section 151 Officer had financial responsibility for a number of charities. Although their financial administration is integrated with that of the Council, the charities are legally separate from it and separate financial statements are produced, which are in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities, published by the Charity Commissioners. The charities are managed and expenditure is approved in accordance with criteria set out in the governing document of each one:-

### **The Isle of Anglesey Charitable Trust (Reg. No. 1000818 and 1174536)**

In previous years, the Council has been the sole trustee of the Isle of Anglesey Charitable Trust, which was established to administer investments purchased from monies received from Shell U.K. Limited when the company ceased operating an oil terminal on Anglesey. During 2019/20, the Trust established a Charitable Incorporated Organisation, which will be known as the "The Isle of Anglesey Charitable Association". The new Organisation is a separate legal entity with the same charitable purposes as the Isle of Anglesey Charitable Trust. The existing assets and liabilities of the Isle of Anglesey Charitable Trust have been transferred to the new entity from 1 October 2019 following a formal resolution by the Trustees on 24 September 2019. Financial information of the Isle of Anglesey Charitable Trust and the Isle of Anglesey Charitable Association are shown separately in the table below.

The objectives of the Charitable Trust are to provide amenities and facilities for the general public benefit of persons resident in the Isle of Anglesey. This is achieved by contributing towards spending on public services and by making grants to charitable and voluntary organisations.

In 2019/20, the Council received £0.215m (£0.215m in 2018/19) from the Trust towards the running costs of Oriel Ynys Môn.

### **Welsh Church Fund**

Previously, investments of this fund were administered by Gwynedd Council on behalf of the successor authorities of Gwynedd County Council but, from 2019/20, Anglesey's share of the Welsh Church Fund has been transferred to the Isle of Anglesey County Council to administer.

### **Anglesey Further Education Trust Fund (Reg. No. 525254)**

75% of net income from the David Hughes Charity Estate forms part of the Anglesey Further Educational Trust Fund, of which the Council is Trustee. The income is used for specified educational purposes. The other 25% is paid to the "David Hughes Charity for the Poor", which is not administered by the Council.

On 31 March 2020, the estimated balances of these Trust funds (at market value of the assets) are:-

| <b>Pre Audited Statement Summary</b>        | <b>2019/20<br/>Income<br/>£'000</b> | <b>2019/20<br/>Expenditure<br/>£'000</b> | <b>2019/20<br/>Assets<br/>£'000</b> | <b>2019/20<br/>Liabilities<br/>£'000</b> |
|---|-------------------------------------|--|-------------------------------------|--|
| Isle of Anglesey Charitable Trust           | 420                                 | 503                                      | 22,381                              | 1,036                                    |
| The Isle of Anglesey Charitable Association | 269                                 | 292                                      | 19,350                              | 822                                      |
| Welsh Church Fund                           | 514                                 | 9  | 573                                 | 21                                       |
| Anglesey Further Education Trust Fund       | 136                                 | 186                                      | 3,203                               | 15                                       |

| <b>Audited Statement Summary</b>      | <b>2018/19<br/>Income<br/>£'000</b> | <b>2018/19<br/>Expenditure<br/>£'000</b> | <b>2018/19<br/>Assets<br/>£'000</b> | <b>2018/19<br/>Liabilities<br/>£'000</b> |
|---------------------------------------|-------------------------------------|--|-------------------------------------|--|
| Isle of Anglesey Charitable Trust     | 592                                 | 995                                      | 21,728                              | 610                                      |
| Welsh Church Fund                     | 7                                   | 8  | 900                                 | 31                                       |
| Anglesey Further Education Trust Fund | 288                                 | 118                                      | 3,257                               | 16                                       |

The total value of the other funds, including investments at market value, is £0.106m as at 31 March 2020 (£0.102m as at 31 March 2019).

Trust Fund balances are not included in the Balance Sheet as these represent assets held in trust for third parties rather than in ownership of the Council. A summary performance of the larger Charitable Trusts is shown in the table above.

#### **NOTE 40 – TEACHERS’ PENSION SCHEME**

Teachers employed by the Council are members of the Teachers’ Pension Scheme, administered by the Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members’ pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers’ contribution rate paid by local authorities. The Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purpose of this Statement of Accounts it is, therefore, accounted for on the same basis as a defined contribution scheme.

In 2019/20, the Council paid £4.612m to Teachers’ Pensions in respect of teachers’ retirement benefits, representing 20.05% of pensionable pay (£3.712m and 15.95% in 2018/19). The Employers Teachers’ Pension Contributions increased to 23.6% from September 2019.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the teachers’ scheme. These costs are accounted for on a defined benefits basis and detailed in Note 41 below.

#### **NOTE 41 – LOCAL GOVERNMENT DEFINED BENEFIT PENSION SCHEME**

##### **Retirement Benefits**

##### **Participation in the Local Government Pension Scheme**

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in the Gwynedd Pension Fund administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension’s liabilities with investment assets.

**a) Transactions Relating to Post-Employment Benefits**

The cost of retirement benefits is recognised in the reported cost of services when the employees earn them, rather than when they are eventually paid as pensions. However, the charge made against the Council Fund is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund through the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance through the Movement in Reserves Statement during the year:-

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| <b>Service cost comprising:</b>   |                  |                  |
| Current service cost  | 18,117           | 15,191           |
| Losses on settlements or curtailments   | 418              | 134              |
| <b>Total Service cost</b>   | <b>18,535</b>    | <b>15,325</b>    |
| <b>Financing and Investment Income and Expenditure</b>  |                  |                  |
| Interest cost on defined benefit obligation   | 10,787           | 10,638           |
| Interest Income on scheme Assets  | (7,527)          | (7,788)          |
| <b>Total Post-employment benefits charged to the Surplus or Deficit on Provision of Service</b>     | <b>21,795</b>    | <b>18,175</b>    |
| Return on Plan Assets (excluding amounts included in net interest expense)                          | 46,482           | (15,916)         |
| Actuarial losses / (gains) arising on changes in demographic assumptions                            | (15,239)         | -                |
| Actuarial losses / (gains) arising on changes in financial assumptions                              | (37,219)         | 34,236           |
| Other   | (13,515)         | 414              |
| <b>Total re-measurement of net defined benefit liability</b>  | <b>(19,491)</b>  | <b>18,734</b>    |
| <b>Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement</b> | <b>2,304</b>     | <b>36,909</b>    |
| Reversal of net charges made for retirement benefits in accordance with the code                    | 13,281           | 9,808            |
| <b>Actual amount charged against the Council Fund balance for pensions in the year:</b>             |                  |                  |
| Employers' contributions payable to scheme  | 8,514            | 8,367            |
| <b>Total Post-employment benefits charged to the Surplus or Deficit on Provision of Service</b>     | <b>21,795</b>    | <b>18,175</b>    |

**b) Pension Assets and Liabilities recognised in the Balance Sheet**

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the Scheme as at 31 March 2019.

| Amounts included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plan are as follows: | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
|  | £'000            | £'000            |
| Present Value of Scheme Assets   | 274,492          | 312,536          |
| Present Value of Scheme Liabilities  | (399,012)        | (443,266)        |
| <b>Net liability arising from defined obligation</b>   | <b>(124,520)</b> | <b>(130,730)</b> |

### Reconciliation of Present Value of the Scheme Liabilities

|  | 2019/20        | 2018/19        |
|--|----------------|----------------|
|  | £'000          | £'000          |
| <b>Balance as at 1 April</b>           | <b>443,266</b> | <b>390,612</b> |
| Current service cost                   | 18,117         | 15,191         |
| Interest cost                          | 10,787         | 10,638         |
| Contributions from scheme participants | 2,511          | 2,418          |
| Remeasurement losses / (gains)         | (65,973)       | 34,650         |
| Past service costs                     | 418            | 134            |
| Estimated unfunded benefits paid       | (1,009)        | (996)          |
| Estimated benefits paid                | (9,105)        | (9,381)        |
| <b>Balance as at 31 March</b>          | <b>399,012</b> | <b>443,266</b> |

### Reconciliation of Present Value of the Scheme Assets

|  | 2019/20        | 2018/19        |
|--|----------------|----------------|
|  | £'000          | £'000          |
| <b>Opening Fair Value of Scheme Assets as at 1 April</b> | <b>312,536</b> | <b>288,424</b> |
| Interest Income  | 7,527          | 7,788          |
| Return on plan assets (excl. net interest expense)       | (46,482)       | 15,916         |
| Contributions by members                                 | 2,511          | 2,418          |
| <b>Contributions by employer</b>                         | <b>7,505</b>   | <b>7,371</b>   |
| Contributions in respect of unfunded benefits            | 1,009          | 996            |
| Unfunded benefits paid                                   | (1,009)        | (996)          |
| Benefits paid  | (9,105)        | (9,381)        |
| <b>Balance as at 31 March</b>                            | <b>274,492</b> | <b>312,536</b> |

**c) Fair Value of Scheme Assets**

The Council Pension Scheme assets comprise:-

Major categories of the fund's assets at quoted prices as at 31 March 2020 and 31 March 2019.

|  | 2019/20                                  | 2019/20                                      | 2018/19                                  | 2018/19                                      |
|--|--|--|--|--|
|  | Prices Quoted in Active Markets<br>£'000 | Prices not quoted in Active Markets<br>£'000 | Prices Quoted in Active Markets<br>£'000 | Prices not quoted in Active Markets<br>£'000 |
| <b>Cash and cash equivalents</b>                   | 1,360                                    | -  | 8,039                                    | -  |
| <b>Equity investment (by industry type)</b>        |  |  |  |  |
| Consumer   | -  | -  | 7,778                                    | -  |
| Manufacturing                                      | -  | -  | 9,356                                    | -  |
| Financial Institutions                             | -  | -  | 3,648                                    | -  |
| Energy and utilities                               | -  | -  | -  | -  |
| Health and care                                    | -  | -  | 19,983                                   | -  |
| Information technology                             | -  | -  | 5,467                                    | -  |
| Other  | -  | -  | 10,612                                   | -  |
| <b>Debt Securities - Other</b>                     | -  | -  | -  | 45,414                                       |
| <b>Private Equity</b>                              | -  | 15,956                                       | -  | 16,966                                       |
| <b>Investment Funds and Unit Trusts</b>            |  |  |  |  |
| Equities   | -  | 184,082                                      | 60,808                                   | 89,570                                       |
| Infrastructure                                     | -  | 6,312  | -  | 6,153  |
| Other  | -  | 39,695                                       | -  | -  |
| <b>Real Estate</b>                                 |  |  |  |  |
| UK Property  | -  | 27,055                                       | 9,938                                    | 18,638                                       |
| Overseas property                                  | -  | 32   | -  | 166  |
| <b>Total Value – All Assets</b>                    | <b>1,360</b>                             | <b>273,132</b>                               | <b>135,629</b>                           | <b>176,907</b>                               |
| <b>Total Value of Active and Non-Active Assets</b> |  | <b>274,492</b>                               |  | <b>312,536</b>                               |



## Major categories of plan assets as percentage of total plan assets

The Gwynedd Pension Fund's assets consist of the following categories, by proportion of the total assets held:-

|   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| <b>Cash and cash equivalents</b>            | 0%            | 3%            |
| <b>Equity investment (by industry type)</b> |               |               |
| Consumer                                    | 0%            | 3%            |
| Manufacturing                               | 0%            | 3%            |
| Financial institutions                      | 0%            | 1%            |
| Energy and utilities                        | 0%            | 0%            |
| Health and care                             | 0%            | 6%            |
| Information technology                      | 0%            | 2%            |
| Other                                       | 0%            | 3%            |
| <b>Debt Securities - Other</b>              | 0%            | 15%           |
| <b>Private equity</b>                       | 6%            | 5%            |
| <b>Investment Funds and Unit Trusts</b>     |               |               |
| Equities                                    | 67%           | 48%           |
| Infrastructure                              | 2%            | 2%            |
| Other                                       | 15%           | 0%            |
| <b>Real Estate</b>                          |               |               |
| UK Property                                 | 10%           | 9%            |
| Overseas property                           | 0%            | 0%            |
| <b>Total</b>                                | <b>100%</b>   | <b>100%</b>   |

### ch) Scheme History

Analysis of scheme assets and liabilities:-

| Amounts included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plan are as follows: | 31 March 2020<br>£'000 | 31 March 2019<br>£'000 |
|--|------------------------|------------------------|
| Present Value of Scheme Assets   | 274,492                | 312,536                |
| Present Value of Scheme Liabilities  | (399,012)              | (443,266)              |
| <b>Net liability arising from defined obligation</b>   | <b>(124,520)</b>       | <b>(130,730)</b>       |

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The present value of defined benefit obligations of £399.012m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £124.520m.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Gwynedd Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

**d) The Significant Assumptions used by the actuary have been:-**

|  | 2019/20    | 2018/19    |
|--|------------|------------|
| <b>Mortality assumptions:</b>  |            |            |
| <i>Longevity at 65 current pensioners:</i>                                   |            |            |
| Men  | 21.3 years | 22.0 years |
| Women  | 23.4 years | 24.2 years |
| <i>Longevity at 65 for future pensioners:</i>                                |            |            |
| Men  | 22.2 years | 24.0 years |
| Women  | 25.1 years | 26.4 years |
| Inflation/Pension Increase Rate  | 1.90%      | 2.50%      |
| Salary Increase Rate   | 2.20%      | 2.50%      |
| Expected Return on Assets  | -7.30%     | 8.20%      |
| Rate for discounting scheme liabilities                                      | 2.30%      | 2.40%      |
| <b>Take-up of option to convert annual pension into retirement lump sum:</b> |            |            |
| Service to April 2008  | 50.00%     | 50.00%     |
| Service post April 2008  | 75.00%     | 75.00%     |

**dd) Sensitivity Analysis**

The sensitivity analysis below is based on reasonably possible changes to the assumptions occurring at the end of the reporting period. It assumes for each change in assumption that all the other assumptions remain constant. The sensitivity analysis shows that the impact of a 0.5% decrease in the real discount rate due to potential market changes could increase the fund's liabilities by £40.275m as a higher value is placed on benefits paid in the future. A 0.5% increase in the salary increase rate, could increase the fund's costs by £4.845m. A 0.5% increase in the pensions' rate could increase liabilities by £35.031m. The estimations in the sensitivity analysis have been calculated in accordance with professional actuarial assumptions, IAS 19 and FRS 102. This means that the use of the 0.5% assumptions below were selected by the specialist actuary in accordance with his/her professional judgement. The Actuary would have taken into account current and past information. Information about people's lifespans and demographic information would have also influenced this.

| Change in assumptions as at 31 March 2020 | Approximate % increase to employer | Approximate Monetary Amount £'000 |
|---|------------------------------------|-----------------------------------|
| 0.5% decrease in real discount rate       | 10%                                | 40,275                            |
| 0.5% increase in the salary increase rate | 1%                                 | 4,845                             |
| 0.5% increase in pension increase rate    | 9%                                 | 35,031                            |

**e) Impact on the Authority's Cash Flows**

The objective of the scheme is to keep employers' contributions at as constant a rate as possible. The Council has a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed by 31 March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pension Services Act 2013.

Under the Act, the LGPS in England and Wales, and other main existing public service schemes, may not provide benefits in relation to service after 31 March 2014 (or Service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for schemes' regulation to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

The liabilities show underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The net liability of £124.520m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy.

The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due) as assessed by the scheme actuary; finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

**f) Estimated contributions to be paid to Gwynedd Pension Fund in 2019/20**

The Council anticipates paying £8.498m contributions to the scheme in 2020/21.

The amount outstanding to Gwynedd Council in respect of the LGPS contributions for 2019/20 as at 31 March 2020 is £0.829m and is included in the short-term creditors' disclosure note.

**NOTE 42 – CONTINGENT LIABILITIES**

**Section 117 Mental Health Act 1983**

Following judgements confirmed at the House of Lords and a report by the Local Government Ombudsman on test cases elsewhere, there was no power to charge for services provided under Section 117 of the Mental Health Act 1983 and the Council is liable to repay any such charges. Whilst a number of cases have been settled historically, the total potential liability is difficult to quantify.

Following the closure of some of the Island's schools and subsequent rationalisation of staff, the Authority may be liable to pay any tribunal costs that may arise from future appeals. The Authority is unable to predict the timing, outcome or costs of any tribunal at this time.

## **NOTE 43 – CONTINGENT ASSETS**

### **Legal Charges**

The Council retains a number of legal charges over privately owned residential properties, where it provided support to the buyers under schemes for assisted home purchase, with the Council being entitled to a share of proceeds on the sale of the properties. The actual amount that will be received will vary, dependent upon both the selling prices of individual properties and the nature of any other legal charges against them which may take precedence over the Council's. The timing of any receipts is dependent upon the occurrence of sales.

## **NOTE 44 – FINANCIAL INSTRUMENTS**

2018/19 was the first year local authorities were required to implement a new Financial Standard called IFRS 9 Financial Instruments. This introduced new classifications and accounting requirements for these instruments. Financial instruments are contractual agreements between two or more parties regarding a right to payment of money. One party would have a financial asset where money or another financial asset is given to the other party, in exchange for the agreed return of the money or financial instrument, often with interest or a favourable return on the investment. The transaction would be a financial liability for the other party or parties. This would be the agreement to repay the money at the contracted time and for the agreed return. For example, the Council's main financial assets are its investments in bank deposits. Table 44b shows that Council had financial assets of £14.208m in bank deposit accounts. In exchange for these, the Council will have the money returned when requested and will also earn interest at a fixed rate for the duration of the investments. These transactions are financial liabilities for the UK banks the Council has deposits with, as the money will be repaid to the Council. The cost of this liability to the banks is the interest it pays to the Council. Examples of financial assets are cash, bank deposits, trade receivables (debtors), equities, bonds and derivatives. Examples of financial liabilities are borrowings, trade payables (creditors) and any contractual obligation to deliver cash or financial assets to another entity.

### **Financial Assets**

Note 44a shows the different categories of financial assets required by IFRS 9 and the value of the Council's financial assets at 31 March 2020. It also provides the value of non-financial assets, which includes the value of Land and Property and other assets. The Council can only enter into financial assets and liabilities in accordance with the Council's Treasury Management Strategy Statement. The Strategy specifies strict criteria, therefore the Council can only invest in financial assets which are highly secure and which can be accessed when the Council needs the cash. Most investments are deposits in UK banks which meet the Council's credit rating criteria, or loans to other local authorities. These all fall under the IFRS 9 classification of Financial Assets measured at Amortised cost as highlighted by Note 44a. Measurement by Amortised cost starts with the initial acquisition amount and is then reduced (impaired) for any expected credit losses. If the Council held more complex financial assets, such as equities or money market instruments, these would be measured at fair value and classified as one of the differing fair value categories as relevant.

**NOTE 44a – SUMMARY OF CATEGORIES OF FINANCIAL ASSETS HELD BY THE COUNCIL**

| Financial Assets  | Non-Current    |                |               |               |
|---|----------------|----------------|---------------|---------------|
|   | Investments    |                | Debtors       |               |
|   | 31 March 2020  | 31 March 2019  | 31 March 2020 | 31 March 2019 |
|   | £000           | £000           | £000          | £000          |
| Fair value through profit or loss   | -              | -              | -             | -             |
| Amortised Cost  | 23,045         | 15,825         | 6,078         | 5,981         |
| Fair value through other comprehensive income - designated equity instruments | -              | -              | -             | -             |
| Fair value through other comprehensive income - other                         | -              | -              | -             | -             |
| <b>Total Financial Assets</b>   | <b>23,045</b>  | <b>15,825</b>  | <b>6,078</b>  | <b>5,981</b>  |
| Non-financial assets  | 426,011        | 408,687        | 26,694        | 24,004        |
| <b>Total</b>  | <b>449,056</b> | <b>424,512</b> | <b>32,772</b> | <b>29,985</b> |

Note 44b provides a more detailed breakdown of the Council's financial assets. The table shows the carrying amount of the financial assets. This is the value of the financial assets in the Balance Sheet based on amortised cost. The fair value is also provided; this is a more current value which would be the price to sell the financial assets on 31 March 2020. The financial assets are split between investments and debtors. The fair value of the Council investments is only £11k different to the Balance Sheet value. The investments are the cash deposits in UK banks and a minor amount in cash. The other cash and cash equivalents relate to the amounts held for operational banking and payment of day-to-day costs. The Council also lent £6m in short-term loans to other local authorities. The amounts held as cash and cash equivalents in UK bank deposit accounts are surplus to the day-to-day needs but which will be required in the future. These earn interest for the period invested. The other category of financial assets is debtors. These relate to organisations or individuals who owe the Council money. The most significant are trade debtors and other debtors which relate to amounts due for services received. Employee loans are also shown; these are soft loans which mainly relate to car loans for members of staff who travel more extensively on Council business. The loans were provided at lower than market value rate due to the need for work-related travel. Debtors exclude transactions with government departments, and income and payments arising from taxation, including Council Tax and business rates.

## NOTE 44b – DETAILS OF TYPES OF FINANCIAL ASSET HELD BY THE COUNCIL

| Financial Assets                               | Short-term      |               |                 |               | Long-term       |            |                 |            | Total           |               |                 |               |
|--|-----------------|---------------|-----------------|---------------|-----------------|------------|-----------------|------------|-----------------|---------------|-----------------|---------------|
|  | 31/03/2020      |               | 31/03/2019      |               | 31/03/2020      |            | 31/03/2019      |            | 31/03/20        |               | 31/03/19        |               |
|  | Carrying Amount | Fair Value    | Carrying Amount | Fair Value    | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value    | Carrying Amount | Fair Value    |
|  | £'000           | £'000         | £'000           | £'000         | £'000           | £'000      | £'000           | £'000      | £'000           | £'000         | £'000           | £'000         |
| <b>Financial assets held at amortised cost</b> |                 |               |                 |               |                 |            |                 |            |                 |               |                 |               |
| <b>Cash and cash equivalents</b>               |                 |               |                 |               |                 |            |                 |            |                 |               |                 |               |
| Cash and cash equivalents - deposits           | 14,208          | 14,212        | 14,333          | 14,336        | -               | -          | -               | -          | 14,208          | 14,212        | 14,333          | 14,336        |
| Other Cash and cash equivalents                | 2,837           | 2,837         | 1,492           | 1,492         | -               | -          | -               | -          | 2,837           | 2,837         | 1,492           | 1,492         |
| Loans to other Local Authorities               | 6,000           | 6,007         | -               | -             |                 |            |                 |            | 6,000           | 6,007         | -               | -             |
| <b>Total</b>                                   | <b>23,045</b>   | <b>23,056</b> | <b>15,825</b>   | <b>15,828</b> | <b>-</b>        | <b>-</b>   | <b>-</b>        | <b>-</b>   | <b>23,045</b>   | <b>23,056</b> | <b>15,825</b>   | <b>15,828</b> |
| <b>Debtors</b>                                 |                 |               |                 |               |                 |            |                 |            |                 |               |                 |               |
| Rents  | 460             | 460           | 394             | 394           | -               | -          | -               | -          | 460             | 460           | 394             | 394           |
| Employee loans                                 | 197             | 197           | 181             | 181           | 152             | 152        | 187             | 187        | 349             | 349           | 368             | 368           |
| Trade Debtors                                  | 3,131           | 3,131         | 2,062           | 2,062         | -               | -          | -               | -          | 3,131           | 3,131         | 2,062           | 2,062         |
| Other Debtors                                  | 2,138           | 2,138         | 3,078           | 3,078         |                 |            | 79              | 79         | 2,138           | 2,138         | 3,157           | 3,157         |
| <b>Total</b>                                   | <b>5,926</b>    | <b>5,926</b>  | <b>5,715</b>    | <b>5,715</b>  | <b>152</b>      | <b>152</b> | <b>266</b>      | <b>266</b> | <b>6,078</b>    | <b>6,078</b>  | <b>5,981</b>    | <b>5,981</b>  |
| <b>Total Financial Assets</b>                  | <b>28,971</b>   | <b>28,982</b> | <b>21,540</b>   | <b>21,543</b> | <b>152</b>      | <b>152</b> | <b>266</b>      | <b>266</b> | <b>29,123</b>   | <b>29,134</b> | <b>21,806</b>   | <b>21,809</b> |

## Financial Liabilities

All of the Council's Financial Liabilities are classified as Financial Liabilities at Amortised Cost. This is shown in Note 44c. The note shows the value of non-financial liabilities. The non-financial liabilities at 31 March 2020 includes the Pension Fund Liability of £122.189m.

## NOTE 44c – SUMMARY OF CATEGORIES OF FINANCIAL LIABILITIES HELD BY THE COUNCIL

| Financial Liabilities              | Non-Current    |                |                |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | Borrowings     |                | Creditors      |                |
|                                    | 31 March 2020  | 31 March 2019  | 31 March 2020  | 31 March 2019  |
|                                    | £'000          | £'000          | £'000          | £'000          |
| Fair value through profit or loss  | -              | -              | -              | -              |
| Amortised Cost                     | 141,261        | 134,887        | 13,926         | 12,286         |
| <b>Total Financial Liabilities</b> | <b>141,261</b> | <b>134,887</b> | <b>13,926</b>  | <b>12,286</b>  |
| Non-financial Liabilities          | -              | -              | 136,023        | 144,868        |
| <b>Total</b>                       | <b>141,261</b> | <b>134,887</b> | <b>149,949</b> | <b>157,154</b> |

Note 44ch below details the types of financial liabilities held by the Council. The Council's borrowing liabilities amounted to £141.262m at 31 March 2020. This is the borrowing taken out over the years to fund capital expenditure on the construction of or refurbishment of Council assets. The short-term loans are the amounts due to be repaid by 31 March 2021. The long-term loans are due to be paid in more than one year's time. A summary of the Council's loans portfolio and maturity profile is provided in Note 45c. The main provider of loans to the Council is the Public Works Loans Board (PWLB) which is part of Central Government's Treasury Department. The Council has also borrowed from Welsh Government and Salix, at 0% interest which was used to fund energy efficient LED lighting. The remaining financial liabilities relate to creditors which are the individuals and/or organisations to which the Council owes money for goods and services provided in 2019/20 or earlier. These are the invoices which are sent to the Council after the end of the financial year or where payment is due beyond 31 March 2020.

The fair value of the Council's borrowing was calculated by the Council's Treasury Management consultants, Link Asset Services. The total fair value on the Council's borrowing was £187.518m, significantly higher than the carrying value on the Balance Sheet of £141.262m at 31 March 2020. The fair value of the assets is higher than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date. This commitment to pay interest above current market rates increases the amount that the Council would have to pay, if the lender requested, or agreed to, early repayment of loans.

The fair value was assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:-

- Estimated ranges of interest rates at certainty rates (discounted by 0.2%) at 31 March 2020 for loans from the PWLB based on new lending rates for equivalent loans at that date;
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value; and
- The fair value of short-term debtors and creditors is deemed to be equivalent to their carrying amount at the Balance Sheet date.

## NOTE 44ch – DETAILS OF TYPES OF FINANCIAL LIABILITIES HELD BY THE COUNCIL

| Financial Liabilities                               | Short-term      |               |                 |               | Long-term       |                |                 |                | Total           |                |                 |                |
|---|-----------------|---------------|-----------------|---------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|   | 31/03/2020      |               | 31/03/2019      |               | 31/03/2020      |                | 31/03/2019      |                | 31/03/2020      |                | 31/03/2019      |                |
|   | Carrying Amount | Fair Value    | Carrying Amount | Fair Value    | Carrying Amount | Fair Value     | Carrying Amount | Fair Value     | Carrying Amount | Fair Value     | Carrying Amount | Fair Value     |
|   | £000            | £000          | £000            | £000          | £000            | £000           | £000            | £000           | £000            | £000           | £000            | £000           |
| <b>Financial liabilities held at amortised cost</b> |                 |               |                 |               |                 |                |                 |                |                 |                |                 |                |
| <b>Borrowing</b>                                    |                 |               |                 |               |                 |                |                 |                |                 |                |                 |                |
| PWLB  | 16,542          | 16,759        | 7,350           | 7,428         | 121,891         | 168,335        | 126,403         | 182,090        | 138,433         | 185,094        | 133,753         | 189,518        |
| Welsh Government                                    | 44              | 43            | 44              | 43            | -               | -              | 44              | 43             | 44              | 43             | 88              | 86             |
| Salix   | 252             | 223           | 142             | 127           | 2,533           | 2,158          | 904             | 808            | 2,785           | 2,381          | 1,046           | 935            |
| Other Loans   | -               | -             | -               | -             | -               | -              | -               | -              | -               | -              | -               | -              |
| <b>Total</b>  | <b>16,838</b>   | <b>17,025</b> | <b>7,536</b>    | <b>7,598</b>  | <b>124,424</b>  | <b>170,493</b> | <b>127,351</b>  | <b>182,941</b> | <b>141,262</b>  | <b>187,518</b> | <b>134,887</b>  | <b>190,539</b> |
| <b>Creditors</b>                                    |                 |               |                 |               |                 |                |                 |                |                 |                |                 |                |
| Accumulated Absences                                | 1,450           | 1,450         | 776             | 776           | -               | -              | -               | -              | 1,450           | 1,450          | 776             | 776            |
| Rents   | -               | -             | 31              | 31            | -               | -              | -               | -              | -               | -              | 31              | 31             |
| Trade Creditors                                     | 2,130           | 2,130         | 2,737           | 2,737         | -               | -              | -               | -              | 2,130           | 2,130          | 2,737           | 2,737          |
| Other Creditors                                     | 8,991           | 8,991         | 8,585           | 8,585         | 159             | 159            | 157             | 157            | 9,150           | 9,150          | 8,742           | 8,742          |
| <b>Total</b>  | <b>12,571</b>   | <b>12,571</b> | <b>12,129</b>   | <b>12,129</b> | <b>159</b>      | <b>159</b>     | <b>157</b>      | <b>157</b>     | <b>12,730</b>   | <b>12,730</b>  | <b>12,286</b>   | <b>12,286</b>  |
| <b>Total Financial Liabilities</b>                  | <b>29,409</b>   | <b>29,596</b> | <b>19,665</b>   | <b>19,727</b> | <b>124,583</b>  | <b>170,652</b> | <b>127,508</b>  | <b>183,098</b> | <b>153,992</b>  | <b>200,248</b> | <b>147,173</b>  | <b>202,825</b> |

## NOTE 44d – INCOME, EXPENDITURE, GAINS AND LOSSES

The table below shows the impact of the Council's financial instruments held on the Council's annual revenue account for 2019/20.

The table shows that the Council was charged £322k (£466k in 2018/19) for the impairment and de-recognition of the financial assets noted above in Notes 44a and 44b. This reduced the value of the assets by this amount and charged the Comprehensive Income and Expenditure Statement (CIES). However, the Council received £112k (£64k in 2018/19) in interest from its deposits in UK banks and loans to other local authorities.

The interest payable on borrowings relating to 2019/20 was £6,012k (£5,871k in 2018/19).



| Income, Expense, Gains and Losses   | 2019/2020  |   | 2018/2019  |   |
|---|--|---|--|---|
|   | Surplus or Deficit on the Provision of Services<br>£'000 | Other Comprehensive Income and Expenditure<br>£'000 | Surplus or Deficit on the Provision of Services<br>£'000 | Other Comprehensive Income and Expenditure<br>£'000 |
| <b>Net (gain)/losses on:</b>  |  |   |  |   |
| Financial assets measured at fair value through profit or loss                                | -  | -   | -  | -   |
| Financial assets measured at amortised cost (impairment loss allowance and derecognition)     | 322  | -   | 466  | -   |
| Investments in equity instruments designated at fair value through other comprehensive income | -  | -   | -  | -   |
| Financial assets measured at fair value through other comprehensive income                    | -  | -   | -  | -   |
| Financial liabilities measured at fair value through profit or loss                           | -  | -   | -  | -   |
| Financial liabilities measured at amortised cost  | -  | -   | -  | -   |
| <b>Total net gains/losses</b>   | <b>322</b>   | <b>-</b>  | <b>466</b>   | <b>-</b>  |
| <b>Interest revenue:</b>  |  |   |  |   |
| Financial assets measured at amortised cost   | 112  | -   | 64   | -   |
| Other financial assets measured at fair value through other comprehensive income              | -  | -   | -  | -   |
| <b>Total interest revenue</b>   | <b>112</b>   | <b>-</b>  | <b>64</b>  | <b>-</b>  |
| <b>Interest expense:</b>  |  |   |  |   |
| Financial liabilities measured at amortised cost  | 6,012  | -   | 5,871  | -   |
| <b>Total interest expense</b>   | <b>6,012</b>   | <b>-</b>  | <b>5,871</b>   | <b>-</b>  |

Where financial instruments have been organised through a broker, fees are charged by the broker. In addition, fees are also incurred on new PWLB loans. However, these fees are not material and have been expensed in the CIES during the year. If the fees had been material, these would have been added onto the carrying value of the relevant financial instrument.

## **NOTE 45 - THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

The Council's activities expose it to a variety of financial risks:-

**Credit Risk** – the possibility that other parties might fail to pay amounts due to the Council.

**Liquidity Risk** – the possibility that the Council might not have funds available to meet its commitments to make payments.

**Market Risk** – the possibility that financial loss might arise for the Council because of changes in such measures as interest rates.

The overall management of significant risks arising from Financial Instruments is supported by the Council's Treasury Management Strategy Statement and Annual Investment Strategy which is approved by the full Council. The new financial standard IFRS 9 Financial Instruments, effective from 1 April 2018, aims to make organisations account for risks earlier. This standard has a limited impact on the Council, which has not invested in more risky or complex investments. The Council has only invested in UK banks and other local authorities during the year.

### **Credit Risk**

Credit Risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers (debtors on the Balance Sheet). The standard requires the Council to provide for potential credit losses from potential non-payment of income due to the Council earlier. This is called the Impairment loss allowance (ILA). Instead of basing potential losses on historic information only, the Council will take into account potential future credit losses earlier and has revised the impairment policy to impair for potential credit losses on more current debtors. The revised policy can be found in Note 51 Accounting Policies on page 91.

The Council has assessed the credit risk of bank deposits on the likelihood of the bank defaulting in repaying the investment. There are increased risks to the banking sector from Brexit; however, the risk of default is still considered low. This is due to banks' increased financial resilience following new legislation following the 2008 banking crises. The bank deposits have, therefore, not been impaired. Deposits are not made with banks and financial institutions unless, having been rated independently, they have attained a minimum credit rating or level of government guarantee, and credit limits are set for each counterparty. The Council has set a number of limits based on credit quality for different types of institutions, different periods and amounts and has a policy of not lending more than £10m to any one institution other than the UK government. The Council monitors credit ratings regularly and is alerted to changes by its Treasury Management consultants. Appropriate action is taken following any changes in accordance with the Annual Investment Strategy. An Annual Treasury Report is produced to report on investment activity. All deposits outstanding at year-end were originally made for less than one year.

There were no material breaches of credit limits during the financial year and there were no breaches of the counterparty criteria. The Council does not expect any losses from non-performance by any of its counterparties in relation to deposits. The current credit crisis has raised the overall possibility of default and the Council has adopted stricter credit criteria for investment counterparties within its overall policy.

The Council does not generally allow credit for customers; it has prescribed collection procedures for amounts owed by its customers and appropriate provisions are made for potential credit losses. In some circumstances, the Council obtains a legal charge on property to cover deferred debts, such as self-funding of residential care. The Council also has a number of longer-term debtors, including mainly car loans to employees and residual mortgages from a closed scheme offering home loans to tenants and to members of the public. The residual mortgages are low risk due to the charge held by the Council on mortgaged properties. The car loans are considered low risk due to the ability to deduct repayments of car loans from employees' salaries, reciprocal arrangements with other local authorities for any staff transferring with outstanding car loans, insurance for loans unpaid due to death in service and normal debt recovery procedures for any employees who leave local government employment. However, the risk of default on employee loans increases sharply despite these measures if the employee leaves the Council's employment. Therefore, an impairment loss allowance of 10% has been applied to the current balance on employee car loans.

Note 45a below shows the increases in impairment loss allowances for 2019/20.

#### NOTE 45a – IMPAIRMENT AND DERECOGNITION OF FINANCIAL ASSETS

| Asset Class (amortised cost)                         | 2019/20   | 2018/19   |
|--|---|---|
|  | Lifetime expected credit losses - not credit impaired | Lifetime expected credit losses - not credit impaired |
|  | £'000   | £'000   |
| Opening Balance as at 1 April 2019                   | 3,417   | 3,127   |
| Deposits in UK Banks                                 | -   | -   |
| Trade debtors (excluding public sector and taxation) | (32)  | 238   |
| Soft Loans   | (6)   | 33  |
| Rents  | 36  | 19  |
| <b>Total Impairment Allowance 31 March 2020</b>      | <b>3,415</b>  | <b>3,417</b>  |
| Financial Assets that have been derecognised         | 324   | 176   |
| <b>Total Impairment and Derecognition charged</b>    | <b>322</b>  | <b>466</b>  |

#### NOTE 45b – VALUE OF TRADE RECEIVABLES AT 31 MARCH 2020 AND PERCENTAGE APPLIED PER BAND AS IMPAIRMENT LOSS ALLOWANCE

The table below shows that all amortised financial assets were impaired using the simplified approach as the financial assets requiring impairment related to trade receivables. This is the recommended approach for outstanding amounts due to the Council. The table shows the outstanding value of amounts due to the Council for the amount of time the debt has been outstanding. The credit risk rating relates to the percentage of the value of outstanding debt for the differing ages of the debt that the Council applies for the impairment loss allowance. For example, for debt outstanding for 366 to 730 days, 75% of the £331k is charged to revenue to account for this risk of debts not being paid. This would be £248k for this band of debt. However, the Council would still actively pursue the debt.

|  | Credit Risk Rating | Gross Carrying Value<br>£000 | Impairment Allowance required<br>2019/20<br>£0 |
|--|--------------------|------------------------------|--|
| <b>12-month expected credit losses</b>                               | -                  | -                            |  |
|  | -                  | -                            |  |
| <b>Significant increase in credit risk since initial recognition</b> | -                  | -                            |  |
|  | -                  | -                            |  |
| <b>Credit Impaired at 31 March</b>                                   | -                  | -                            |  |
|  | -                  | -                            |  |
| <b>Simplified Approach - Council Policy</b>                          |                    |                              |  |
| Day 1 to 14  | 2%                 | 89                           | 2  |
| Outstanding 15-45 days   | 2.50%              | 385                          | 10   |
| Outstanding 46-75 days   | 4.50%              | 268                          | 12   |
| Outstanding 76-105 days  | 7.50%              | 170                          | 13   |
| Outstanding 106 - 182 days   | 15%                | 252                          | 38   |
| Outstanding 183 - 365 days   | 50%                | 318                          | 159  |
| Outstanding 366 - 730 days   | 75%                | 331                          | 248  |
| Outstanding 731 days or more   | 100%               | 787                          | 787  |
|  |                    |                              | -  |
| <b>Housing Benefits Overpayments</b>                                 | 90%                | 1,639                        | 1,475  |
| <b>Deferred income - Social Services</b>                             | 10%                | 456                          | 46   |
| <b>Additional credit risk from Covid-19</b>                          |                    |                              |  |
| Day 1 to 14  | 2%                 | 89                           | 2  |
| Outstanding 15-45 days   | 2.50%              | 385                          | 10   |
| Outstanding 46-75 days   | 4.50%              | 268                          | 12   |
| Outstanding 76-105 days  | 7.50%              | 170                          | 13   |
| Outstanding 106 - 182 days   | 5%                 | 252                          | 13   |
| Rent   | NA                 | NA                           | 544  |
| Soft Loans and other   | 15%                | 219                          | 33   |
|  |                    | 6,078                        | 3,415  |
|  |                    |                              |  |
| <b>Total</b>   |                    | 6,078                        | 3,415  |

## Liquidity Risk

Liquidity Risk is low as the Council had no difficulty in the past in obtaining finance and has ready access to the Public Works Loans Board (PWLB) as lender of last resort. The key aims of the Treasury Management Strategy are to ensure the Authority is exposed to low risk and to ensure liquidity. The majority of the Authority's investments are in instant access deposit accounts. Therefore, there is a reduced risk that it will be unable to raise finance to meet its commitments under financial instruments. However, there is often a risk that the Council will need to renew a significant proportion of its borrowings at a time of high interest rates. The practice is to ensure that not more than 20% of loans are repayable within any two-year period and to continuously assess the market rates and forecasts in order to replace maturing loans or reschedule existing loans at the most beneficial time. The current low interest rates would reduce interest rates on new loans that are taken out to repay the debt maturing. To assist in achieving this, the Council uses external treasury management advisors. The maturity analysis of outstanding loans is shown in Note 44b. Trade and other payables are due to be paid in less than one year.

### NOTE 45c – PROFILE OF WHEN LOANS ARE DUE TO BE REPAYED BY THE COUNCIL

|   | 2019/20<br>Outstanding<br>Principal | 2019/20<br>Accrued<br>Interest | 2019/20<br>Cost less<br>accumulated<br>amortisation | 2018/19<br>Outstanding<br>Principal | 2018/19<br>Accrued<br>Interest | 2018/19<br>Cost less<br>accumulated<br>amortisation |
|---|-------------------------------------|--------------------------------|---|-------------------------------------|--------------------------------|---|
|   | £'000                               | £'000                          | £'000   | £'000                               | £'000                          | £'000   |
| >50 years                                       | -                                   | -                              | -   | -                                   | -                              | -   |
| 34-50 years                                     | 49,964                              | -                              | 49,964  | 52,976                              | -                              | 52,976  |
| 23-33 years                                     | 44,703                              | -                              | 44,703  | 42,713                              | -                              | 42,713  |
| 15-22 years                                     | 13,553                              | -                              | 13,553  | 13,167                              | -                              | 13,167  |
| 11-14 years                                     | 4,105                               | -                              | 4,105   | 4,934                               | -                              | 4,934   |
| 7-10 years                                      | 6,227                               | -                              | 6,227   | 4,256                               | -                              | 4,256   |
| 4-6 years                                       | 3,236                               | -                              | 3,236   | 4,608                               | -                              | 4,608   |
| 1-3 years                                       | 2,636                               | -                              | 2,636   | 4,698                               | -                              | 4,698   |
| <b>Total Long-Term Borrowing</b>                | <b>124,424</b>                      | <b>-</b>                       | <b>124,424</b>                                      | <b>127,352</b>                      | <b>-</b>                       | <b>127,352</b>                                      |
| <b>Total Short-Term Borrowing (&lt; 1 year)</b> | <b>14,808</b>                       | <b>2,030</b>                   | <b>16,838</b>                                       | <b>5,197</b>                        | <b>2,338</b>                   | <b>7,535</b>  |
| <b>Total</b>                                    | <b>139,232</b>                      | <b>2,030</b>                   | <b>141,262</b>                                      | <b>132,549</b>                      | <b>2,338</b>                   | <b>134,887</b>                                      |

## Market Risk

**Interest Rate Risk** – The Council faces potential risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For example, a rise in interest rates would have the following effects: -

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Comprehensive Income and Expenditure Statement would rise;
- Borrowings at fixed rates – the fair value of the borrowings' liabilities would fall;

- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Comprehensive Income and Expenditure Statement would rise; and
- Investments at fixed rates – the fair value of the assets would fall.

Borrowings are not carried at fair value as these are carried at Amortised Cost in accordance with the CIPFA code. Therefore, nominal gains and losses on fixed rate borrowings would not affect the Surplus or Deficit on the Provision of Services or other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance.

The Council has a number of strategies for managing interest rate risk. The Council policy is to borrow mainly at fixed rates, thus obtaining certainty as to interest payable over the period of the loans. The Council, supported by its treasury advisors, continually monitors the prevailing interest rates and the market forecasts. If there was a significant risk of a sharp rise in long and short-term rates, then the portfolio position would be re-appraised with the likely outcome being that fixed rate funding would be drawn down whilst interest rates were still relatively cheap. If there was a significant risk of a sharp fall in long and short-term rates, then long-term borrowings would be postponed and any appropriate rescheduling from fixed rate funding into short rate funding would be undertaken.

All of the Council's current and long-term borrowings are held at fixed rates. This helps reduce the impact of bank rate changes on the Council. Note 45ch shows the impact of a 1% interest rate increase on the fair value of the Council Financial Instruments. The value of the loans in the Balance Sheet would remain the same due to the interest rates being fixed. However, the fair value would reduce by £27.628m. The rate increase would have a positive impact on the Council's deposits as an extra £142k interest receivable would be received if there was a 1% increase in interest rates.

**NOTE 45ch – ESTIMATED IMPACT OF A ONE PERCENT INCREASE IN INTEREST RATES ON FINANCIAL ASSETS**

| Impact of a 1% interest rate increase  | £'000         |
|--|---------------|
| Increase in value of fixed rate investment assets  | 142           |
| <b>Impact on other Comprehensive Income and Expenditure</b>  | <b>142</b>    |
| Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or other Comprehensive Income) | <b>27,628</b> |

Interest rates have remained low and stable since 2009. This is due to the global financial crisis which was triggered by the banking crises from September 2008. The base rate fell from 5% in 2008 prior to the crisis to 0.50% in March 2009 where it remained at 0.5% until 2016. It was reduced to 0.25% in August 2016 in response to the economic shock from the result of the referendum to leave the European Union. The rate was returned to 0.5% in November 2017. The base rate saw its first real increase since 2009 on 2 August 2018, where it was increased slightly to 0.75%. The Covid-19 pandemic, which is discussed in detail in the narrative report, is resulting in a shock even more significant than Brexit. While the full extent of the economic impact of Covid-19 is still not known, it was initially compared with the financial crisis in 2008. However, it is now being compared with the Great Depression in the 1930s. To help the economy, the Bank of England cut the base rate to a new all-time low at 0.1% in March 2020.

Source: <https://www.bankofengland.co.uk/monetary-policy/the-interest-rate-bank-rate>, retrieved 2 June 2020.

## **Brexit**

The UK formally left the European Union (EU) on 31 January 2020 and is in a transitional year while a formal trading agreement and terms of departure are being negotiated. There has been very little economic impact during the transitional year. The impact on the economy will depend on the final agreement and also trade agreements with countries outside the EU. The impact of the Covid-19 pandemic will impact the economy more significantly, as mentioned above. The long-term outlook ratings for the UK banks as a whole have been downgraded to a negative outlook. A collapse of the banking sector would undermine the deposits held in UK banks (circa £17m at 31 March 2020). This is being monitored closely and, reassuringly, the credit ratings of the banks in which the Authority holds deposits remain at an acceptable level in accordance with the Treasury Management Strategy. If the credit ratings fall below the acceptable level, the Authority would seek to place the balances in alternative investments, which must be in accordance with the Treasury Management Strategy.

The Council receives regular market information and advice from its treasury management consultants and potential outcomes in relation to Brexit and Covid-19.

The Council has benefited from very low interest rates on the borrowings that Council has taken out during the latter part of the year.

## **NOTE 46 - JOINT COMMITTEES**

### **Joint Planning Committee**

The Isle of Anglesey County Council and Gwynedd Council are parties to the Joint Planning Committee.

Gwynedd Council is responsible for the operation of this committee, and the year-end balances are reflected in its Balance Sheet. The 2019/20 accounts for the committee can be viewed by following:-

<https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Budgets-and-finance/Statement-of-Accounts/Joint-Planning-Policy-Committee.aspx>

### **GwE**

The Isle of Anglesey Council and the Councils of Gwynedd, Conwy, Flintshire, Wrexham and Denbighshire are parties to a joint committee relating to GwE (Gwasanaeth Effeithiolrwydd a Gwella Ysgolion Rhanbarthol) (Regional School Effectiveness and Improvement Service).

Gwynedd Council is responsible for the operation of this committee, and the year-end balances are reflected in its Balance Sheet. The 2019/20 accounts for the committee can be viewed by following:-

<https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Budgets-and-finance/Statement-of-Accounts/GwE-Joint-Committee.aspx>



## **North Wales Economic Ambition Board**

The Council is part of the North Wales Economic Ambition Board which comprises representatives from all six of the North Wales Local Authorities. A key role of this committee is to coordinate the planning and delivery of the Growth Vision for North Wales, with an initial emphasis on the Growth Deal. The Growth Deal is a package of funding from Central Government and the Welsh Government with a budget of £240m to deliver projects across Wales to deliver sustainable and economic growth.

Additional information about the Joint Committee can be found on Gwynedd County Council's website at the following web address/link:-

<https://democracy.cyngor.gwynedd.gov.uk/ielistmeetings.aspx?cid=418&year=0>

## **North Wales Residual Waste Treatment Project**

The North Wales Residual Waste Treatment Project (NWRWTP) entered a new phase during 2019/20 as the Parc Adfer waste treatment facility became operational. Deliveries of waste from the five partner authorities commenced on 27 August 2019 as the commissioning phase began, and the plant became fully operational on 20 December 2019. Service costs are now being incurred and are reflected under the Highways, Property and Waste part of the Comprehensive Income and Expenditure Statement. Flintshire Council will continue to act as lead authority on this project and the Joint Committee arrangements will remain in the future. Isle of Anglesey County Council's share of the joint committee costs for 2019/20 was £448.

The Isle of Anglesey County Council is also involved in various joint arrangements with neighbouring North Wales Councils and Health Board as follows:-

- North Wales Adoption Service (Lead: Wrexham. Parties: Flintshire, Denbighshire, Conwy, Gwynedd);
- Minerals and Waste Service (Lead: Flintshire. Parties: Denbighshire, Conwy, Gwynedd);
- Regional Emergency Planning Service (Lead: Flintshire. Parties: Wrexham, Denbighshire, Conwy, Gwynedd);
- Galw Gofal (Lead: Conwy. Parties: Gwynedd, Flintshire);
- Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between North Wales local authorities and the Betsi Cadwaladr University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1 April 2019. Denbighshire County Council is acting as host authority during the initial term of the agreement (2019/20 to 2021/22). The Transactions for Isle of Anglesey County Council are included under Adult Services in the Comprehensive Income and Expenditure Statement.

## **NOTE 47 – HOUSES INTO HOMES**

The Council acts as an agent for Welsh Government for the provision of loans to individuals for renovation of empty homes in order to reduce the number of empty homes on Anglesey and increase housing opportunities. In 2019/20, £0.106m (£0.087m in 2018/19) was utilised in the renovations of empty homes.



## NOTE 48 – COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for the Council and the North Wales Police Authority for the forthcoming year and dividing this amount by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and adjusted for discounts. The Council Tax base for 2019/20 was 31,571.46 (30,773.31 in 2018/19).

The amount for a band D property in 2019/20, £1,572.32 (£1,440.78 in 2018/19), is multiplied by the proportion specified for the particular band to give the amount due by band. Individual amounts due are calculated by applying discounts and benefits to the amount due by band.

Council Tax bills were based on the following multipliers for bands A to I:-

| Band       | A*  | A   | B   | C   | D   | E    | F    | G    | H    | I    |
|------------|-----|-----|-----|-----|-----|------|------|------|------|------|
| Multiplier | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | 21/9 |

The Council's Council Tax Base is calculated as follows:-

| Band                | A*   | A        | B        | C        | D        | E        | F        | G        | H      | I      | Total     |
|---------------------|------|----------|----------|----------|----------|----------|----------|----------|--------|--------|-----------|
| Total Dwellings     | 14   | 4,194    | 6,098    | 6,195    | 6,793    | 5,158    | 2,533    | 1,018    | 157    | 46     |           |
| Multiplier          | 5/9  | 6/9      | 7/9      | 8/9      | 9/9      | 11/9     | 13/9     | 15/9     | 18/9   | 21/9   |           |
| Band "D" Equivalent | 7.92 | 2,796.23 | 4,742.97 | 5,506.22 | 6,793.00 | 6,304.71 | 3,658.42 | 1,696.75 | 313.50 | 108.38 | 31,928.10 |

|                                    | 2019/20          | 2018/19          |
|------------------------------------|------------------|------------------|
| Band D equivalent as above         | 31,928.10        | 31,118.10        |
| Collection Rate                    | 98.50%           | 98.50%           |
| Revised Band D equivalent          | 31,449.18        | 30,651.33        |
| MoD Properties – Band D equivalent | 122.28           | 121.98           |
| <b>Council Tax Base</b>            | <b>31,571.46</b> | <b>30,773.31</b> |

In 2013/14, the Welsh Assembly Government introduced the Council Tax Reduction Scheme to replace the Council Tax benefit scheme. £5.778m of Council Tax reductions were awarded in 2019/20 (£5.381 m in 2018/19).

| Analysis of the net proceeds from Council Tax:                                   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| Gross Council Tax  | 49,618           | 44,797           |
| Add/Less: provision for non-payment not required or not previously accounted for | (185)            | (191)            |
| <b>Council Tax collectable</b>   | <b>49,433</b>    | <b>44,606</b>    |
| Less Council Tax Reduction awarded to residents                                  | (5,778)          | (5,381)          |
| <b>Net Proceeds from Council Tax</b>   | <b>43,655</b>    | <b>39,225</b>    |

## NOTE 49 - NON-DOMESTIC RATES (NDR)

NDR is organised on a national basis.

Non-domestic properties are normally assessed every five years for the purpose of calculating liability for NDR. A new list came into force on 1 April 2017. Revaluations do not raise extra revenue overall but reflect changes in the property market values across the country, redistributing the same total tax liability for NDR. Some rates bills will rise and some will fall but the average national bill will only change with inflation.

The Welsh Government specifies an amount for the rate – 54.5p in 2019/20 (51.4p in 2018/19), and local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NDR pool administered by the Welsh Government. The Welsh Government then redistributes the sums paid into the pool back to local authorities on the basis of a fixed amount per head of population.

NDR income, after reliefs and provisions (including Small Business Rates Relief provided by the Welsh Government), totalled £14.239m for 2019/20 (£14.404m in 2018/19) and was based on rateable value at the year-end of £39.915m (£39.107m in 2018/19).

| <b>Analysis of the net proceeds from non-domestic rates:</b> | <b>2019/20<br/>£'000</b> | <b>2018/19<br/>£'000</b> |
|--|--------------------------|--------------------------|
| Non-domestic rates collectable                               | 14,239                   | 14,404                   |
| Cost of collection allowance                                 | (159)                    | (154)                    |
| Interest paid on overpayments                                | -                        | -                        |
| Provision for bad debts                                      | 15                       | (173)                    |
| Contribution to cost of charitable relief/rural rate relief  | 63                       | 60                       |
| High Street and Retail Relief met from grant                 | 440                      | 48                       |
| <b>Payments into national pool</b>                           | <b>14,598</b>            | <b>14,185</b>            |
|  |                          |                          |
| <b>Redistribution from national pool</b>                     | <b>22,754</b>            | <b>22,574</b>            |

## NOTE 50 - MARITIME

The Council, as a Harbour Authority, is responsible for the following maritime services: Beaumaris, Fryars Bay, Glyn Garth, Menai Bridge, Red Wharf Bay and Amlwch Harbour. The Statutory Harbour Undertakings (Accounts, etc.) Regulations 1983, no. 931, exempts harbour authorities with a turnover of less than £250,000 from the requirement to prepare separate harbour accounts under the Harbours Act 1964. The income and expenditure for Maritime Services are, instead, included in these accounts within the expenditure and income for the Regulation and Economic Development Service. In 2019/20, the turnover on maritime services was £48,361.45 (£50,732 in 2018/19). Costs incurred during the year were £83,439.77 (which includes £18,809 of loan interest/capital repayment).

## NOTE 51 – ACCOUNTING POLICIES

This section discloses the specific accounting policies adopted by the Council for completion of the accounts.

| Policy Reference | Policy Title  |
|------------------|---|
| 1                | General Principles  |
| 2                | Accruals of Income and Expenditure  |
| 3                | Events After the Balance Sheet Date   |
| 4                | Jointly Controlled Operations and Jointly Controlled Assets                       |
| 5                | Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors |
| 6                | Value Added Tax (VAT)   |
| 7                | Fair Value Measurement  |
| 8                | Non-Current Assets (Property, Plant and Equipment)                                |
| 9                | Investment Properties   |
| 10               | Intangible Assets   |
| 11               | Inventories and Long-term Contracts   |
| 12               | Cash and Cash Equivalents   |
| 13               | Financial Instruments   |
| 14               | Provisions, Contingent Liabilities and Contingent Assets                          |
| 15               | Reserves  |
| 16               | Revenue Recognition   |
| 17               | Internal Interest   |
| 18               | Leases  |
| 19               | Charges to Revenue for Non-Current Assets - Minimum Revenue Provision (MRP)       |
| 20               | Government Grants and Contributions   |
| 21               | Revenue Expenditure Funded from Capital Under Statute (REFCUS)                    |
| 22               | Overheads and Support Services  |
| 23               | Foreign Currency  |
| 24               | Employee Benefits   |
| 25               | Exceptional Items   |
| 26               | Accounting for NDR  |
| 27               | Agency Income and Expenditure   |

## **1. General Principles**

The Statement of Accounts summarises the Council's transactions for the 2019/20 financial year and its financial position at the year-end of 31 March 2020. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations and the Accounts and Audit (Wales) (Amendment) Regulations 2018. These regulations require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and the CIPFA Service Reporting Code of Practice 2019/20, supported by International Financial Reporting Standards (IFRS). All principal accounting policies have been applied consistently throughout the year. The Statement of Accounts has been prepared on a "going concern" basis.

## **2. Accruals of Income and Expenditure**

Transactions are accounted for in the year that they take place, not simply when cash payments are made or received. This accruals accounting approach provides a more complete basis for reporting the Council's financial performance as it includes the Council's future commitments to pay/receive cash for goods and services received but not paid by 31 March 2020. Income and expenditure is accounted for in the year the activity it relates to takes place, not simply when cash is paid or received, i.e. on an accruals basis. This means income is recorded when it is earned not received and expenditure when it is incurred not when it is paid. Income from the sale of goods is included in the accounts when the sale is completed, not when the cash is received. Income from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and, as a result of this, the Council is due income in return for the services provided. In addition:-

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and bank deposits and payable on borrowings (including bank overdrafts) is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than necessarily the cash flows fixed or determined by the contract; and
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that may not be collected.

## **3. Events after the Balance Sheet Date**

Events can occur after the year-end which might have a significant effect on the financial results for that year. Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the financial year and the date when the Statement of Accounts is authorised for issue. The Statement of Accounts is authorised for issue when the final audited accounts are signed by the Section 151 Officer, after the accounts are approved by full Council. The law requires that the audited, authorised final accounts are completed by 30 September following the year-end. Two types of events can be identified:-

- those that provide evidence of conditions that existed at the end of the financial year – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the financial year – the Statement of Accounts is not adjusted to reflect such events but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

#### **4. Jointly Controlled Operations and Jointly Controlled Assets**

Jointly controlled operations are activities undertaken by the Council in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The Council recognises on its Balance Sheet its share of the assets and the liabilities that it incurs. The Comprehensive Income and Expenditure Statement is debited with the expenditure it incurs and credited with the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

#### **5. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change, and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of the transactions, other events and the conditions on the Council's financial position and financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

#### **6. Value Added Tax (VAT)**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue & Customs. VAT receivable is excluded from income.

## **7. Fair Value Measurement**

IFRS 13 Fair Value Measurement requires most non-current assets, liabilities and financial instruments to be valued at fair value, often with regard to an active market value where available. For operational assets, the standard introduces the concept of fair value being based on current value (often value in use) for revaluations of Property, Plant and Equipment. This means measurements should reflect the market conditions for the service or function at the reporting date. The standard provides different fair valuation approaches to differing asset types. For non-operational assets, i.e. investment assets, assets held for sale and surplus assets, these are valued at their highest and best use. Where there is an alternative use which would be of a higher fair value, that is the fair value which would be used for the valuation of non-operational assets. The code does not require infrastructure assets to be revalued at current value. Infrastructure assets are, instead, valued at depreciated historical cost.

The Authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## **8. Non-Current Assets (Plant, Property and Equipment)**

### **8.1 Recognition**

Non-current assets - Plant, Property and Equipment (PPE) - are physical assets which last a year or more and will be used by the Council in support of its provision of goods and services. The Council has set a minimum amount for expenditure on assets to be classed as capital expenditure. This de-minimis amount is £10k. Expenditure on the acquisition, creation or enhancement of non-current assets which cost £10k or more is capitalised on an accruals basis providing that it meets the above definition of a non-current asset. Plant, Property and Equipment would include assets such as machinery; it would not typically include assets held for sale as they would normally be expected to be disposed of within 12 months.

The costs of these assets may include initial costs of acquisition and construction and subsequent costs to enhance or replace part of the asset. All other expenditure arising from day-to-day servicing of assets, including repairs and maintenance, is recognised in the Comprehensive Income and Expenditure Statement as the costs are incurred.

### **8.2 Measurement**

Assets are initially measured at cost, comprising:-

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located in cases where, in order to bring an asset into use, any relocation of the asset is required.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be their fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:-

- Infrastructure, community assets and assets under construction are valued at depreciated historical cost;
- Council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH);
- Council offices – current value, determined by the amount that would be paid for the asset in its existing use;
- School buildings – would be valued at current value in use but, because of their specialist nature, are measured at depreciated replacement cost;
- Surplus assets – the current value measurement is fair value, estimated at the highest and best use from a market participant's perspective;
- All other operational assets have been measured at current value based on existing use value (EUV). This means that the current value of land and buildings would be that amount which would be exchanged for an asset in its existing use. If there is no market evident for an asset due to its specialist nature or if the type of asset is rarely sold, the Authority estimates the current value using a depreciated replacement cost approach. For example, for property comprising land and buildings, depreciated replacement cost would be the market value for the existing use for the land on which the building sits plus the current gross replacement cost of the building less allowances for physical deterioration, obsolescence and optimisation;
- Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement. Where there are conditions on any donated assets, the gain is instead credited to the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement;
- Where a part or component of an asset is replaced, the carrying value of the old part/component is derecognised to avoid double counting. The new component is then added to the carrying amount. If it is not practicable to determine the carrying amount of the replaced part, the cost of the new part is used as an indication of the cost of the replaced part; and
- Where an asset is not held for the purpose of generating cash flows, value in use is assumed to be at least equal to the cost of replacing the asset's service potential.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. 'Short Useful life' typically means seven years or less, although it may be longer for specialist items of plant and equipment.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. In practice, the Council undertakes valuations of its Property, Plant and Equipment assets based on a five-year rolling programme. However, assets with a carrying value over £500k are revalued each year. Increases in asset values are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, revaluation gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:-

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement (CIES).

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **8.3 Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.

Examples of events and changes in circumstances that indicate impairment may have occurred include:-

- significant decline (i.e. more than expected as a result of the passage of time or normal use) in an asset's carrying amount during the period, that is specific to the asset;
- evidence of obsolescence or physical damage of an asset;
- a commitment by the Council to undertake a significant reorganisation; and
- a significant adverse change in the statutory or other regulatory environment in which the Council operates.

Where indications exist, and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified on revalued assets, they are accounted for by:-

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the impairment against the asset is written down against that balance (up to the amount of the accumulated gains);



- where there is no balance in the Revaluation Reserve, the impairment against the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, to the extent that the original loss was recognised in the CIES, adjusted for depreciation that would have been charged if the loss had not been recognised. Any excess is recognised in the Revaluation Reserve.

Where the impairment is on a non-revalued asset (i.e. an asset with a carrying value based on historical cost), the impairment is recognised in the Comprehensive Income and Expenditure Statement.

#### **8.4 Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets in order to allocate their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:-

- dwellings and other buildings – straight-line allocation over periods of up to 75 years, as estimated by the Valuer;
- vehicles, plant, furniture and equipment – straight-line allocation over 5 to 15 years;
- infrastructure – straight-line allocation over periods of up to 30 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Depreciation is not charged in the year an asset is acquired.

#### **8.5 Disposals and Non-current Assets Held-for-Sale**

These assets are actively marketed for sale and where the Council expects that sale will go through in the next 12 months. The assets are identified separately as the value in the Balance Sheet will be recovered principally through a sale transaction rather than future continued use. The asset (or disposal group) is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Fair value of non-current assets held for sale is measured at the highest and best use. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held-for-Sale.

If assets (or a disposal group) no longer meet the criteria to be classified as Assets Held-for-Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held-for-Sale, and their recoverable amount at the date of the decision not to sell.

A 'disposal group' is a group of assets, possibly with some associated liabilities, which the Council intends to dispose of in a single transaction. The measurement basis required for non-current assets classified as held for sale is applied to the group as a whole, and any resulting loss reduces the carrying amount of the non-current assets in the disposal group in the order of allocation required by IAS 36.

Assets that are to be abandoned or scrapped are not reclassified as Assets-Held-for-Sale.

## **8.6 Disposals of Non-current Assets**

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held-for-Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. This cost is subsequently transferred to the Capital Adjustment Account in the Movement in Reserves Statement.

Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10k are categorised as capital receipts and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Capital Receipts Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

## **8.7 Surplus Assets**

The fair value of surplus assets is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This will be based on the highest and best use.

## **8.8 Heritage Assets**

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. They are held by the Council in pursuit of its overall objectives to preserve the heritage of the Isle of Anglesey. The Council owns a number of tangible heritage assets such as historical buildings and works of art.

Operational Heritage Assets (i.e. those that, in addition to being held for their heritage characteristics, are also used by the Council for other activities or to provide other services) are valued and accounted for as operational assets, in the same way as other assets of that general type (e.g. operational buildings).

Heritage Assets are valued on the basis that is most appropriate and relevant in respect of the individual asset or class of assets. Where it is not practicable to obtain a valuation at a cost which is commensurate with the benefits to users of the financial statements, Heritage Assets are measured at historical cost (less any accumulated depreciation, amortisation and impairment losses as appropriate). Where Heritage Assets are measured at valuation, then the carrying amount is measured with sufficient frequency to ensure that the valuations remain current, and at intervals of no greater than five years. Where a cost or valuation cannot be determined for a Heritage Asset without disproportionate cost, the assets will not be recognised in the Balance Sheet. Instead, the asset will be disclosed in the notes to the accounts.

Where a Heritage Asset has a finite life, depreciation is provided for on the same basis as for other classes of asset (for detail see Accounting Policy for Depreciation, 8.4 above).

Depreciation is not provided on Heritage Assets which have indefinite lives and a high residual value. The carrying amount of a Heritage Asset is reviewed where there is evidence of impairment, for example, where it has suffered physical deterioration or breakage or new doubts arise as to its authenticity. Any impairment is recognised on the same basis as for other classes of asset (for detail see under Accounting Policy 8.3, Impairment). The Council does not currently actively seek further acquisitions of Heritage Assets, but responds to opportunities to enhance its portfolio as they arise. The art collections are housed at Oriel Ynys Môn, with maintenance work being carried out as required. Parts of the collection are on display at any one time, while access to the remainder is available by arrangement. The Heritage Properties are managed and maintained, with due regard for their heritage characteristics, as part of the Council's overall portfolio of land and buildings.

## **8.9 Treatment of School Assets**

Local Authority maintained schools are deemed to be in the control of local authorities. The assets, liabilities, reserves and cash flows of the Authority's maintained schools are, therefore, included in the Council's financial statements.

Land and buildings of voluntary aided and foundation schools are owned and controlled by the trustees of the schools or the foundation body and are, therefore, not shown on the Balance Sheet of the Council.

Capital expenditure on community schools is added to the balances for those schools. Individual schools' balances at 31 March 2020 are included in the Balance Sheet of the Council as any unspent delegated schools' budgets remain the property of the Council.

For accounting purposes, the status of the assets of voluntary controlled and voluntary aided schools are as follows:-

- Voluntary Controlled Schools: the land has been included on the Balance Sheet but not the buildings;
- Voluntary Aided Schools: neither the land nor the buildings are included in the Balance Sheet; and
- Additionally, neither the land nor the buildings of Caergeiliog Foundation School are included on the Balance Sheet, as these assets vest with the trustees of the school.

## **9. Investment Properties**

Investment properties are those land and buildings that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are recognised when it is probable that future planned economic benefits will flow to the Authority and that the cost or fair value of the investment property can be reliably measured. Investment properties are measured initially at cost and, subsequently, at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. The Code requires that Investment Properties be valued at their highest and best use regardless of the intentions of the Council. This means that alternative uses have been considered for each investment property and, if there is an alternative use that would maximise fair value, then that is the fair value which is to be used. The properties are not depreciated but are revalued annually in accordance with IFRS 13 according to market conditions at the Balance Sheet date. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10k) the Capital Receipts Reserve.

## **10. Intangible Assets**

Intangible assets are non-current, non-financial assets which are separately identifiable but which do not have physical substance (for example, computer software). These are controlled by the Council as a result of past events. Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services. Expenditure on intangible assets is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. The useful economic life of intangible assets is determined by the relevant professional leading on the purchase of/development of the intangible asset. The useful economic life of intangible assets is shorter than tangible assets, for example, between five to seven years. Intangible assets are amortised on a straight-line basis over the useful economic life of the asset.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion and they are, therefore, carried at cost less accumulated amortisation. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Intangible assets are tested for any impairment annually and whenever there is an indication that an asset might be impaired. Any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Council Fund Balance. The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10k) the Capital Receipts Reserve.

## **11. Inventories and Long-Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. The cost of inventories is assigned using the 'First In, First Out' (FIFO) costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Work-in-progress is included in the Balance Sheet at cost.

## **12. Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

## **13. Financial Instruments**

### **13.1 Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument, are initially measured at fair value, and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

## 13.2 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets:-

- amortised cost ;
- fair value through profit or loss (FVPL); and
- fair value through other comprehensive income (FVOCI).

The Authority's business model is to hold investments to collect contractual cash flows. Financial assets are, therefore, classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

### Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

However, the Authority has made a number of loans to employees at less than market rates (soft loans). The Council uses HMRC's rate for beneficial employee loans as a proxy for market value/effective interest rate. Where the difference between the discounted rate and the effective interest rate is more than £100k, a loss is recorded in the CIES for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the employees, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

## 13.3 Expected Credit Loss Model

The Authority recognises expected credit losses on all of its financial assets held at amortised cost [or, where relevant, FVOCI], either on a 12-month or lifetime basis. The simplified lifetime basis expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

The Council will also extend the simplified approach to lease receivables and trade receivables and contract assets where there is a significant financing component.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly, or remains low, losses are assessed on the basis of 12-month expected losses.

For 2019/20, in respect of Sundry Debtors the following bad debt percentages applied:-

6 months to 1 year: 50%;  
1 year to 2 years: 75%;  
Over 2 years: 100%.

Higher percentages would apply for certain debtors, taking regard of individual circumstances, e.g. company liquidation, personal bankruptcy.

Debtors which had been deferred i.e. Social Services residential fees that had been deferred pending sale of property (where a charge on the property applied), a provision of 10% applied irrespective of age – although a higher provision would apply in certain circumstances e.g. current state of property or property value or dispute.

IFRS requires earlier recognition of debt (current practice does not provide for debts earlier than six months old, although a provision would be made for known individual debtor circumstances, e.g. bankruptcy, aged less than this) and public sector debts are to be excluded (currently debts for local health board, major and local preceptors (councils)/levying bodies etc. and central/devolved administrations etc. are included). Having regard to IFRS 9, revised impaired loss allowances are required and the following considerations are made to arrive at the revised allowances:

IFRS 9 does not define default of a debt, but requires an organisation to provide such a definition consistent with its credit management purposes. The following definition is used for the purposes of impaired loss allowance requirement for Sundry Debt, which is simple enough and is consistent with this Authority's credit management –

A debtor is in default of a debt (for impaired loss allowance purposes in respect of Sundry Debt) if payment has not been received against a debt in the Civica Debtor system (by 31 March each year) where the age of the debt is more than 14 calendar days from the tax point date.

The following allowances are proposed for periods up to six months:-

- Day 1 to 14 days from invoice being raised – 2%;
- 1 – 30 days past due date i.e. 15 days to 45 days from tax point date – 2.5%;
- 31 – 60 days past due date i.e. 46 days to 75 days from tax point date – 4.5%;
- 61 – 90 days past due date i.e. 76 days to 105 days from tax point date – 7.5%;
- 91 – 168 days past due date i.e. 106 days to 182 days from tax point date – 15%.

The Council would then continue to apply the current percentages for debts older than six months from the tax point date i.e.

- 183 – 365 days from tax point date – 50%;
- 366 – 730 days from tax point date – 75%;
- 731 days or more from tax point date – 100%.

### **Deferred charges**

These from 183 days from tax point date are to be applied at 10% ONLY and not at the higher rates shown. No provision for deferred debts aged less than six months old. The Council has legal charges secured against individuals' homes, hence the reduced amount for impairment.

The annual impairment gain or loss will be the change in lifetime expected credit losses over the year.

### **13.4 Financial Assets Measured at Fair Value through Profit of Loss (FVPL)**

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:-

Instruments with quoted market prices – the market price of other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:-

**Level 1 inputs** – quoted prices (unadjusted) in active markets for identical assets that the Authority can access at the measurement date.

**Level 2 inputs** – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

**Level 3 inputs** – unobservable inputs for the asset.

### **13.5 The Financial Statements**

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

### **13.6 Available-for-Sale Financial Assets**

The Council does not have any available-for-sale financial assets and is unlikely to have any in the short-term as these financial assets are not included in the Treasury Management Strategy Statement 2019/20.



## **14. Provisions, Contingent Liabilities and Contingent Assets**

### **14.1 Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

The Authority has made a provision for the costs of settling claims for back-pay arising from discriminatory payments incurred before the Authority implemented its Equal Pay Strategy. However, statutory arrangements allow settlements to be financed from the General Fund in the year that payments actually take place, not when the provision is established. The provision is, therefore, balanced by an Unequal Pay Back-Pay Account which, effectively, cancels the provision to zero. If any equal pay claims are funded from the general reserve in the year, these payments are deducted from the Equal Pay Provision and the Unequal Pay-Back Pay unusable reserve. Similarly, if a capitalisation directive is applied during the year, both the Equal Pay Provision and the Unequal Pay Back Pay unusable reserve will be reduced accordingly for the amount which is funded by capitalisation directive. The balance on the provision and the relevant reserve should reflect only any unsettled claims and future new claims.

### **14.2 Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation, whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Material contingent liabilities are not recognised in the Balance Sheet, but disclosed as a note in the accounts (Note 42).

### **14.3 Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset, the existence of which will only be confirmed by the occurrence, or otherwise, of uncertain future events not wholly within the control of the Council.

Material contingent assets are not recognised in the Balance Sheet, but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential (Note 43).

## **15. Reserves**

The Council maintains a range of reserves, reflecting both the extent to which its overall assets exceed its liabilities and any restrictions, either statutory or voluntary, which are placed upon the usage of these balances. The Council has discretion to set aside specific amounts as reserves where it wishes to earmark available funds for future policy purposes, to cover contingencies or manage cash flow. These are summarised in the Movement in Reserves Statement.

Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserve Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies and notes.

## **16. Revenue Recognition**

Revenue is recognised in the Comprehensive Income and Expenditure Statement for the year in which it is earned rather than when the cash is received. This relates to income from the sale of goods (produced by the Council for the purpose of sale or purchased for resale), the provision of services (excluding services directly related to construction contracts), interest, royalties and dividends, non-exchange transactions (i.e. Council Tax) and where previously a liability had been recognised (i.e. creditor) on satisfying the revenue recognition criteria. Revenue is also recognised on gains which may or may not arise from ordinary activities such as gains on the revaluation of non-current assets, gains on the sale of non-current assets and gains on available-for-sale financial assets. Where the Authority is acting as an agent, only the income the Council is paid for its role of agent will be recognised in the accounts. The amount relating to the third party (the principal) will not be included in the accounts.

Revenue is recognised and measured at the fair value of the consideration receivable. This is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Rebates and cash settlements, where relevant, will be taken into account in measuring the fair value of the consideration received.

If payment is on deferred terms, the consideration receivable is discounted to present value in order to achieve a fair value. The difference between this amount and the total payments received is recognised as interest revenue in the Surplus or Deficit on Provision of Services. Short duration receivables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial. There is no difference between the delivery and payment dates for non-contractual, non-exchange transactions i.e. revenue relating to Council Tax and general rates and, therefore, these transactions are measured at their full amount receivable.

## **17. Internal Interest**

The Council invests its cash balances in accordance with its Treasury Management and Investment Policies and the interest is accrued and credited to the Comprehensive Income and Expenditure Statement. Interest is credited to trust funds and other third party funds based on the average rate of interest earned by the Council. Some reserves receive interest by way of an appropriation calculated on the same basis.

## **18. Leases**

Where applicable and material, leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. The Council does not hold any leases of this type and, therefore, the leases that the Council does hold are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. Leases have been reviewed taking into account the materiality level of both annual rentals and capital values and inclusion in the accounts is based on these levels.

### **18.1 The Council as Lessee**

#### **18.1.1 Finance Leases**

If applicable and of a material value, items of Property, Plant and Equipment held under finance leases would be recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:-

- a charge for the acquisition of the interest in the Property, Plant or Equipment – applied to write down the lease liability; and
- a finance charge - debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

If Property, Plant and Equipment are recognised under finance leases, they would be accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are, therefore, substituted by a revenue contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **18.1.2 Operating Leases**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased Property, Plant or Equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

## **18.2 The Council as Lessor**

### **18.2.1 Finance Leases**

If the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. If applicable, at the commencement of the lease the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet. Lease rentals receivable are apportioned between:-

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received); and
- Finance income - credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are, therefore, appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### **18.2.2 Operating Leases**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## **19. Charges to Revenue for Non-Current Assets – Minimum Revenue Provision (MRP)**

Services and support services are charged with the following amounts to record the real cost of holding non-current assets during the year:-

- Depreciation of assets used by the Service;
- Revaluation and impairment losses on assets used by the Service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- Amortisation of intangible assets attributable to the Service.

The Council is not required to raise council tax to cover these costs. However, it is required to set aside an annual contribution from revenue towards its overall borrowing requirement. These costs are, therefore, replaced by the Minimum Revenue Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Welsh Government issued new regulations in 2008/09 requiring local authorities in Wales to make a prudent provision for MRP, including an option to provide an MRP over the life of an asset. The policy also allows MRP to be deferred until the asset is commissioned.

The Housing Revenue Account (HRA) provision is calculated as being 2% of the opening HRA Capital Financing Requirement (CFR). The Council reviewed its MRP policy and changed the method of calculation of MRP for the Council Fund element from 1 April 2018. The Council previously calculated MRP on a 4% reducing balance basis for supported borrowing and an asset life basis for capital items funded by unsupported borrowing. The new method provides a consistent approach and expenditure funded by supported borrowing will also be charged on the asset-life basis. For assets funded by supported borrowing at 1 April 2018, the asset-life of these have been assumed as 50 years as the borrowing would have funded a number of assets. Any new assets after 1 April 2018 funded from supported borrowing and unsupported borrowing will be based on the actual expected asset life for that asset. The MRP methodology was changed to ensure a consistent and a more prudent approach which more accurately matches the MRP with the life of the asset which is being funded.

An exception to this policy arises in respect of expenditure which is subject to a capitalisation direction issued under Section 40(6) of the Local Government and Housing Act 1989. Any such expenditure will be amortised either in accordance with the above policy or over the number of years specified within the direction.

Transactions in relation to investment properties are recorded against the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement.

## **20. Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:-

- the Council will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until the conditions attached to the grant or contribution have been met. Grant conditions are the requirements which have to be met in order to qualify for the grant, for example, the building of a school or key outcomes specified within the conditions. Monies advanced as grants and contributions, for which conditions have not been satisfied, are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Some grants' bodies impose restrictions which limit or direct the purposes for which the grant may be used but do not stipulate that the grant is to be repaid.

## **21. Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

## **22. Overheads and Support Services**

The costs of overheads and support services are charged to services that benefit from the supply or service in accordance with the Authority's arrangements for accountability and financial performance for the purpose of full-cost accounting for the statutory statistical returns, for example, the annual RA and RO Government returns. However, for budget monitoring and the statutory annual accounts, recharges are excluded and the corporate and support services are reported as service segments and held accountable for budget management.

## **23. Foreign Currency**

The Council has a diminishing number of European grant aided schemes where the grants may be denominated in Euros. A Euro Bank account was opened to support these schemes. The balance on this bank account at the year-end is converted at the spot exchange rate at 31 March with resulting gains or losses being recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

## **24. Employee Benefits**

### **24.1 Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year.

The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. To prevent fluctuations from impacting on Council Tax, the year-on-year change in cost generated by this accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the Accumulating Absences Adjustment Account, so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The Council does not award long-term employee benefits, i.e. those which are not expected to be paid or settled within 12 months of the Balance Sheet date.

### **24.2 Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy. These benefits are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Council can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions (usually in the form of added years), statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### **24.3 Post-Employment Benefits**

Employees of the Council are entitled to be members of two separate pension schemes:-

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education; and
- The Local Government Pension Scheme, administered by Gwynedd Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees have worked for the Council.

### **24.4 Teachers' Pension Scheme**

The arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified to the Council. The scheme is, therefore, accounted for as if it was a defined contributions scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Lifelong Learning Service line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Agency in the year.

### **24.5 The Local Government Pension Scheme**

All employees (other than teachers) and Councillors, subject to certain qualifying criteria, are able to join the Local Government Pension Scheme. The Scheme is known as the Gwynedd Pension Fund and is administered by Gwynedd Council in accordance with the Local Government Pension Scheme Regulations 2013 on behalf of all participating employers. Under International Accounting Standard (IAS19), the Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Gwynedd Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a real discount rate that is based on the indicative rate of return on UK Government bonds adjusted for an addition to the yield that reflects the extra risk involved in using AA Corporate Bond yields – known as the credit spread.

The assets of Gwynedd Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:-

- Quoted securities - current bid price;
- Unquoted securities - professional estimate;
- Unitised securities - current bid price; and
- Property - market value.

The change in the net pension liability is analysed into four components:-

- a) Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.



- b)** Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs. Net interest on the net defined benefit liability, i.e. the net interest expense for the Council - the change during the period in the net defined benefit liability that arises from the passage of time, is charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, to the net defined benefit liability at the beginning of the period (taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments).
- c)** Re-measurement comprising:-
- The return on plan assets (excluding amounts already included in the net interest on net defined benefit) which is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
  - Actuarial gains and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- ch)** Contributions paid to the Gwynedd Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

## **24.6 Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any employee (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **25. Exceptional Items**

Where items of income and expense are material in the context of these accounts, their nature and amount is disclosed separately either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council’s financial performance.

## **26. Accounting for NDR (Non-Domestic Rates)**

As the Council acts as an agent in the collection of NDR income, it does not include the financial position with regard to the ratepayers and only reports the net cash position with Central Government in its Balance Sheet. Therefore, if the amount collected from NDR taxpayers by the Authority (net of the cost of collection allowance) exceeds that paid to Welsh Government at 31 March, the amount not yet paid to the Welsh Government is included in the Balance Sheet as a creditor. Similarly, if the cash paid to Welsh Government exceeds the cash collected from NDR taxpayers (net of the cost of collection allowance), the excess is included in the Balance Sheet as a debtor. The Council maintains records of NDR arrears, impairment allowances, prepayments and overpayments in its underlying accounting records; however, for final accounts purposes, these balances are consolidated into a single agency account, with the figures netting down to the debtor/creditor to the national pool. The cost of collection allowance received by the Isle of Anglesey County Council is the billing Council's income and is included in the Comprehensive Income and Expenditure Statement.

Cash collected from NDR taxpayers is not included in the Cash Flow Statement except for the cash retained in respect of the cost of collection allowance. Any difference between the cash collected from NDR taxpayers and the cash paid into the NDR Pool is included within financing activities in the Cash Flow Statement.

## **27. Agency Income and Expenditure**

Under various statutory powers, a Council may agree with other local authorities, water companies and government departments to do work on their behalf. The body carrying out agency services is reimbursed by the responsible body to the extent of approved expenditure together with any agreed contribution towards administrative costs. Only the amounts relating to the Council, for example the fees earned for providing the agency services, will be included in the Council's Comprehensive Statement of Income and Expenditure.

The Isle of Anglesey County Council has acted as an agent during the year on behalf of:-

Welsh Government - Collecting Non-Domestic Rates (NDR) and paying the sums collected over to Welsh Government, less the amount retained in respect of the cost of collection allowance;

Welsh Government – Empty Homes' Loans, where the Council acts as agent between Welsh Government and recipients of Empty Homes' Loans.

**SUPPLEMENTARY FINANCIAL STATEMENT  
HOUSING REVENUE ACCOUNT (HRA)**

**Income and Expenditure Statement for the year ended 31 March 2020**

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| <b><u>Expenditure</u></b>   |                  |                  |
| Management and Maintenance - Repairs and Maintenance  | 3,512            | 3,684            |
| Management and Maintenance - Supervision and Management   | 5,134            | 4,572            |
| Rents, Rates, Taxes and Other Charges   | 61               | 39               |
| Depreciation, Impairment and Revaluation Losses of Non-current Assets   | 9,989            | 11,372           |
| Debt Management Costs   | 12               | 12               |
| Movement in the Impairment Allowance for Bad Debts  | 118              | 89               |
| Movement in the Accumulated Absences Accrual  | 71               | (51)             |
| <b>Total Expenditure</b>  | <b>18,897</b>    | <b>19,717</b>    |
| <b><u>Income</u></b>  |                  |                  |
| Dwelling Rents  | (18,025)         | (17,089)         |
| Non-dwelling Rents  | (219)            | (215)            |
| Charges for Services and Facilities   | (209)            | (174)            |
| Contributions towards Expenditure   | (92)             | (168)            |
| Other   | (172)            | (308)            |
| <b>Total Income</b>   | <b>(18,717)</b>  | <b>(17,954)</b>  |
| <b>Net Expenditure of HRA Services as included in the Whole Authority Comprehensive Income and Expenditure Statement</b>                | <b>180</b>       | <b>1,763</b>     |
| HRA Services' Share of Corporate and Democratic Core  | 56               | 56               |
| <b>Net Expenditure of HRA Services</b>  | <b>236</b>       | <b>1,819</b>     |
| <b>HRA Share of the Operating Income and Expenditure included in the Whole Authority Comprehensive Income and Expenditure Statement</b> |                  |                  |
| (Gain) on sale of HRA Non-current Assets  | -                | -                |
| Revaluation of Assets   | (31)             | 7                |
| Interest Payable and Similar Charges  | 1,773            | 1,765            |
| Interest and Investment Income  | (38)             | (16)             |
| Capital Grants and Contributions receivable:  | -                | -                |
| - Major Repairs Allowance   | (2,660)          | (2,664)          |
| - Other   | (1,541)          | (7)              |
| <b>Deficit for the Year on HRA Services</b>   | <b>(2,261)</b>   | <b>(915)</b>     |

## Statement of Movements on the HRA Balance

Items included in the HRA Income and Expenditure Account but excluded from the movements on HRA Balance for the year

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| <b>Balance on the HRA at the end of the Previous Reporting Period</b> | <b>(8,387)</b>   | <b>(7,380)</b>   |
| (Surplus)/Deficit for the Year on HRA Services                        | (2,261)          | 904              |
| Adjustments between Accounting and Funding Bases under Statute        | 2,051            | (1,911)          |
| <b>Net (increase)/decrease before Transfers to/from Reserves</b>      | <b>(210)</b>     | <b>(1,007)</b>   |
| Transfers to/(from) Earmarked Reserves                                | -                | 202              |
| <b>Net (Increase)/Decrease in Year on the HRA</b>                     | <b>(210)</b>     | <b>(805)</b>     |
| <b>Adjustment to Reserve</b>  | <b>-</b>         | <b>(202)</b>     |
| <b>Balance on the HRA at the end of the Current Reporting Period</b>  | <b>(8,597)</b>   | <b>(8,387)</b>   |

## NOTES TO THE HOUSING REVENUE ACCOUNT (HRA)

### NOTE 1 – HOUSING REVENUE ACCOUNT

The Housing Revenue Account is a record of expenditure on, and income from, the provision of local Council housing, and the form and content of the Account is prescribed by statute. The Housing Revenue Account is “ring-fenced” and must be self-supporting. Contributions both to and from the Housing Revenue Account (e.g. from the Council Fund) are limited to special circumstances.

### NOTE 2 – HOUSING STOCK

Following the buyout from the Housing Subsidy scheme, the Council has a policy of purchasing suitable former Council dwellings and returning them to Council housing stock. During 2019/20, 20 such properties were purchased (12 in 2018/19). Additionally, the Council has recommenced the building of new HRA dwellings, 20 such units being added in 2019/20. As at 31 March 2020, the number of dwellings totalled 3,858, with the split by type of dwelling made up as follows:-

|                            | 31 March<br>2020 | 31 March<br>2019 |
|----------------------------|------------------|------------------|
| <b>Council Owned Stock</b> |                  |                  |
| Houses                     | 2,045            | 2,028            |
| Bungalows                  | 1,055            | 1,045            |
| Flats                      | 751              | 738              |
| Bedsits                    | 7                | 7                |
| <b>Total Council Owned</b> | <b>3,858</b>     | <b>3,818</b>     |

### NOTE 3 – HOUSING REVENUE ACCOUNT CAPITAL EXPENDITURE

|   | 2019/20<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| <b>Capital investment</b>                 |                  |                  |
| Houses                                    | 11,811           | 9,028            |
| <b>Sources of funding</b>                 |                  |                  |
| Capital Receipts                          | -                | -                |
| Government grants and other contributions | (4,202)          | (2,671)          |
| Direct Revenue Financing                  | (7,609)          | (6,357)          |
| <b>Total</b>                              | <b>(11,811)</b>  | <b>(9,028)</b>   |

The Major Repairs Allowance for 2019/20 of £2.660m was used in full during the year (£2.659m in 2018/19).

### NOTE 4 – DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

|                                     | 2019/20<br>Derecognition<br>£'000 | 2019/20<br>Depreciation<br>£'000 | 2019/20<br>Total<br>£'000 | 2018/19<br>Derecognition<br>£'000 | 2018/19<br>Depreciation<br>£'000 | 2018/19<br>Total<br>£'000 |
|-------------------------------------|-----------------------------------|----------------------------------|---------------------------|-----------------------------------|----------------------------------|---------------------------|
| Land                                | -                                 | -                                | -                         | -                                 | -                                | -                         |
| Dwellings                           | 6,213                             | 3,533                            | 9,746                     | 7,504                             | 3,572                            | 11,076                    |
| Other Property - Operational Assets | -                                 | 243                              | 243                       | -                                 | 297                              | 297                       |
|                                     | <b>6,213</b>                      | <b>3,776</b>                     | <b>9,989</b>              | <b>7,504</b>                      | <b>3,869</b>                     | <b>11,373</b>             |

### NOTE 5 – CAPITAL RECEIPTS FROM DISPOSAL OF LAND, HOUSES AND OTHER PROPERTY WITHIN THE HOUSING REVENUE ACCOUNT

|                          | 2019/20<br>No. of Sales | 2019/20<br>£'000 | 2018/19<br>No. of Sales | 2018/19<br>£'000 |
|--------------------------|-------------------------|------------------|-------------------------|------------------|
| <b>Council dwellings</b> |                         |                  |                         |                  |
| Right to Buy             | -                       | -                | -                       | -                |
| Discounts repaid         | 1                       | (4)              | -                       | -                |
| <b>Other Receipts</b>    |                         |                  |                         |                  |
| Land sales               | -                       | -                | -                       | -                |
| Other property sales     | -                       | -                | -                       | -                |
| Mortgage Property        | -                       | (4)              | -                       | -                |
| Less set aside           | -                       | -                | -                       | -                |
| <b>Total</b>             |                         | <b>(4)</b>       |                         | <b>-</b>         |

## NOTE 6 – RENT ARREARS AND BAD AND DOUBTFUL DEBTS

During 2021/20, total rent arrears increased by £0.133m. A summary of rent arrears and prepayments is shown in the following table:-

| <b>Rent Arrears</b>       | <b>2019/20<br/>£'000</b> | <b>2018/19<br/>£'000</b> |
|---------------------------|--------------------------|--------------------------|
| Current Tenant Arrears    | 550                      | 429                      |
| Former Tenant Arrears     | 275                      | 250                      |
| <b>Total Rent Arrears</b> | <b>825</b>               | <b>679</b>               |
| Prepayments               | (229)                    | (216)                    |
| <b>Total Debt</b>         | <b>596</b>               | <b>463</b>               |

Allowance has been made in the Balance Sheet for bad and doubtful debts. These stood at £0.544m against rents (£0.462m in 2018/19).

## NOTE 7 – PENSION COSTS

As part of the terms and conditions of employment of its officers, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in the Local Government Pension Scheme administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against the Housing Revenue Account is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Housing Revenue Account after Net Operating Expenditure. The following transactions have been made in the Housing Revenue Account during the year:-

| <b>HRA Income and Expenditure Account</b> | <b>2019/20<br/>£'000</b> | <b>2018/19<br/>£'000</b> |
|---|--------------------------|--------------------------|
| Current Service Cost                      | (587)                    | (407)                    |
| Employer Contributions actually paid      | 587                      | 407                      |
| <b>Contribution to Pension Reserve</b>    | <b>-</b>                 | <b>-</b>                 |

It has not been possible to determine how much of the pension interest costs and expected return on assets per the actuarial report relate to the Housing Revenue Account, so these have been fully allocated to the Council Fund.

APPENDIX 1

| <b>RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS</b> |   |
|---|---|
| Anglesey Access Group   | Robert G Parry OBE FRAGS  |
| Anglesey Agricultural Show  | Kenneth P Hughes  |
| Anglesey and Gwynedd Safer Communities Partnership  | Llinos Medi Huws  |
| Anglesey Citizens Advice  | Nicola Roberts  |
| Anglesey Language Forum   | Lewis Davies, Gwilym O Jones, R Meirion Jones, Ieuan Williams, Bryan Owen       |
| Area of Outstanding Natural Beauty Joint Advisory Committee (Ynys Môn)                      | Richard Dew, Eric Wyn Jones, Dafydd Roberts, Nicola Roberts, Robin Wyn Williams |
| Betsi Cadwaladr Stakeholder Reference Group   | Llinos Medi Huws  |
| Carers' Champion  | Robert G Parry OBE FRAGS  |
| Champion for Adults Safeguarding  | Llinos Medi Huws  |
| Champion for Children in Care   | Richard Griffiths   |
| Champion for Diversity  | Margaret Murley Roberts   |
| Champion for Equality   | Nicola Roberts  |
| Champion for Members  | Robert Llewelyn Jones   |
| Champion for Older People   | Robert Llewelyn Jones   |
| Champion for Scrutiny   | Gwilym O Jones  |
| Champion for the Armed Forces   | Richard Dew   |
| Children and Young People's Champion  | Llinos Medi Huws  |
| Court of Governors, University of Wales, Bangor   | R Meirion Jones   |
| Cwmni CYNNAL AGM  | Margaret Murley Roberts   |
| Cwmni Frân Wen  | Vaughan Hughes  |
| CYNNAL Management Committee   | R Meirion Jones, Dafydd Roberts   |
| Destination Anglesey Partnership (DAP)  | Richard Dew   |
| Fostering Panel   | Richard Griffiths   |
| Grwp Llandrillo/Menai   | R Meirion Jones   |
| GwE Joint Committee   | R Meirion Jones   |
| Gwynedd & Anglesey Adoption Panel   | Dylan Rees  |
| Gwynedd & Anglesey Youth Justices Service   | Llinos Medi Huws  |
| Gwynedd Pensions Fund Committee (Gwynedd Council)   | Robin Wyn Williams  |
| Joint Council for Wales   | John Griffith, Dafydd Rhys Thomas   |
| Medrwn Môn  | Llinos Medi Huws  |
| Member Board of the Consortium of Local Authorities in Wales (CLAW)                         | Robert G Parry OBE FRAGS  |
| Menter Môn  | Ieuan Williams  |
| North and Mid Wales Trunk Road Joint Committee  | Robert G Parry OBE FRAGS  |
| North Wales Community Health Council (Anglesey Local Committee)                             | Trefor Lloyd Hughes MBE, Glyn Haynes, Dylan Rees                                |
| North Wales Economic Ambitions Board  | Llinos Medi Huws  |
| North Wales Fire and Rescue Authority   | Richard Griffiths, Dylan Rees, Eric Wyn Jones                                   |
| North Wales Fire and Rescue Authority Audit Committee                                       | Dylan Rees  |

| <b>RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS</b> |  |
|---|--|
| North Wales Fire and Rescue Authority Executive Panel                                       | Richard Griffiths, Eric Wyn Jones  |
| North Wales Housing Association   | Alun Wyn Mummery   |
| North Wales Leadership Board  | Llinos Medi Huws   |
| North Wales Police and Crime Panel  | Dylan Rees   |
| North Wales Regional Waste Plan Review Steering Group                                       | Robert G Parry OBE FRAGS   |
| North Wales Residual Waste Treatment Joint Committee  | Richard Dew, Robert G Parry OBE FRAGS  |
| North Wales Safer Communities Board   | Llinos Medi Huws   |
| North Wales Tourism Partnership   | Carwyn Jones   |
| Owen Lloyd, Penrhoslligwy Educational Trust   | Vaughan Hughes   |
| Public Service Board Anglesey and Gwynedd   | Llinos Medi Huws   |
| Regional Partnership Board  | Llinos Medi Huws   |
| Sustainable Development Fund Partnership  | Richard Dew  |
| The Harbour Trust, Caernarfon   | Robert G Parry OBE FRAGS   |
| Voluntary Sector Liaison Committee  | Llinos Medi Huws, Aled Morris Jones, Gwilym O Jones, R Meirion Jones, Alun Mummery   |
| Welsh Local Government Association  | Llinos Medi Huws, Ieuan Williams   |
| Wylfa Newydd Project Liaison Group  | John Griffith, Richard Griffiths, Kenneth P Hughes, Llinos Medi Huws, Aled Morris Jones, Richard Owain Jones, Dafydd Rhys Thomas |
| Wylfa Site Stakeholder Group  | John Griffith, Richard Griffiths, Kenneth P Hughes, Llinos Medi Huws, Aled Morris Jones, Gwilym O Jones, Richard Owain Jones     |



## GLOSSARY

### 12-MONTH EXPECTED CREDIT LOSSES

This is the portion of lifetime expected credit losses that represent the expected credit losses that result from default on a financial instrument which are possible within the 12 months after the reporting date.

### ACCOUNTING PERIOD

This is the period of time covered by the accounts, normally a period of 12 months, commencing on 1 April. The end of the accounting period is the Balance Sheet date, usually 31 March of the following year.

### ACCRUALS

Sums included in the final accounts to recognise goods/services received in the year or income and expenditure earned or incurred in the financial year but for which actual payment had not been received or made as at 31 March.

### ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:-

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

### AGENCY SERVICES

These are the services provided by the Council to a third party on behalf of another organisation.

### APPROPRIATIONS

These are the amounts transferred between the Comprehensive Income and Expenditure Statement and revenue or capital reserves.

### ASSET

An asset is an item having value to the Council in monetary terms. Assets are categorised as either current or non-current:-

- A current asset will be used or be of minimal value within the next financial year (e.g. cash and inventories);
- A non-current asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible (e.g. a community centre), or intangible, (e.g. computer software licences).

### AUDIT OF ACCOUNTS

This is an independent examination of the Council's financial affairs.

### BALANCE SHEET

The Balance Sheet is a statement of the true and fair value of the recorded assets, liabilities and other balances at the end of the financial year.

## **BUDGET**

The Budget is a statement of how much the Council has allocated to each service and function to spend or raise in income for the financial year.

## **CAPITAL EXPENDITURE**

Capital expenditure is expenditure on the purchase of a non-current asset, which will be used in providing services beyond the current financial year, or expenditure which adds to, and not merely maintains, the value of an existing non-current asset. Examples include: the building of a new school, the purchase of IT equipment, a major refurbishment of a care home.

## **CAPITAL FINANCING**

Funds that are available to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

## **CAPITAL FINANCING COSTS**

Capital Financing costs are any additional costs arising from borrowing to fund capital projects. These tend to be interest payable on loans taken out and the Marginal Revenue Provision (MRP) charge on projects financed by borrowing. The MRP is the minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

## **CAPITAL PROGRAMME**

The capital schemes the Council intends to carry out over a specific period of time.

## **CAPITAL RECEIPTS**

Capital receipts represent the proceeds from the disposal of land or other non-current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government, but they cannot be used to finance revenue expenditure.

## **CASH AND CASH EQUIVALENTS**

This is cash-in-hand, cash overdrawn, cash held in bank accounts and short-term (for example three months) investments which are readily converted into known amounts of cash.

## **CASH FLOW STATEMENT**

The cash flow statement shows the changes in cash and cash equivalents of the Council during the financial year.

## **CIPFA**

This is The Chartered Institute of Public Finance and Accountancy, the lead professional and regulatory body for local Authority accounting.

## **COMMUNITY ASSETS**

Community assets are assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

## **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

This is one of the main financial statements of the Council which records all the income and expenditure for the Council categorised on the basis of standard CIPFA requirements to enable comparisons to be made between authorities.

## **CONSISTENCY**

This represents the concept that the accounting treatment of like items, within a financial year and from one year to the next, is the same.

## **CONTINGENT ASSET**

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

## **CONTINGENT LIABILITY**

A contingent liability is either:-

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

## **CORPORATE AND DEMOCRATIC CORE**

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities is, thus, over and above those which would be incurred by a series of independent single-purpose, nominated bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

## **CREDIT LOSS**

This is the difference between the cash amounts due to the Authority in accordance with the contract and all cash flows that the Authority expects to receive, discounted at the original effective interest rate.

## **CREDITOR**

The amount owed to individuals or other organisations by the Council for work done, goods received or services provided within the financial year but for which payment has not been made by the end of that financial year.

## **CURRENT SERVICE COST (PENSIONS)**

The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current year.

## **DEBTOR**

The amount owed to the Council from individuals or other organisations for works done, goods received or services provided within the financial year, but for which payment has not been received by the end of that financial year.

## **DEFINED BENEFIT PENSION SCHEME**

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

## **DEPRECIATION**

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the financial year, whether from use, the passage of time or obsolescence through technical or other changes.

## **DISCRETIONARY BENEFITS (PENSIONS)**

These represent the retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

## **EVENTS AFTER THE BALANCE SHEET DATE**

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Final Statement of Accounts is authorised for issue.

## **EXPECTED RETURN ON PENSION ASSETS**

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

## **EXPENDITURE AND FUNDING ANALYSIS**

This statement aims to show how annual expenditure is used and funded from resources. The first column, the net expenditure chargeable to the General Fund and HRA balances, shows the true impact of the cost of providing services for the year, excluding accounting adjustments.

## **FAIR VALUE**

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

## **FINANCE LEASE**

A Finance Lease is one that transfers substantially all the risks and rewards of ownership of a non-current asset to the lessee.

## **GOING CONCERN**

This represents the concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

## **GOVERNMENT GRANTS**

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

## **HERITAGE ASSETS**

An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

## **HOUSING BENEFITS**

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

## **HOUSING REVENUE ACCOUNT (HRA)**

The HRA is a separate account to the Council Fund, and includes the income and expenditure arising from the provision of housing accommodation by the Council.

## **IMPAIRMENT**

Impairment is a reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet. This is usually due to an event which has substantially reduced the value of the asset, for example, a fire or if an asset has become obsolete.

## **INFRASTRUCTURE ASSETS**

Non-current assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

## **INTANGIBLE ASSETS**

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

## **INTEREST COST (PENSIONS)**

For a defined benefit scheme, the expected increase during the financial year of the present value of the scheme liabilities because the benefits are one financial year closer to settlement.

## **INVESTMENTS (PENSION FUND)**

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the share of the pension scheme assets associated with their underlying obligations.

## **INTEREST RECEIVABLE OR PAYABLE**

The effective interest rate method is used to measure the carrying value of a financial asset or liability measured at cost less accumulated amortisation, and to allocate associated interest income or expense to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to equal the amount at initial recognition. The effective interest is adjusted to the actual interest payment or receipt through the Movement in Reserves Statement to ensure only actual interest is charged to Council Tax.

For financial assets and liabilities carried at cost because the effective rate of interest is the same as the carrying rate of interest, the carrying value is adjusted for accrued interest.

## **INVENTORIES**

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and work-in-progress.

## **LIABILITY**

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next financial year, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which, by arrangement, is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

## **LIQUID RESOURCES**

Current asset investments that are readily disposable by the Council without disrupting its business and are either:-

- Readily convertible to known amounts of cash at, or close to, the carrying amount; or
- Traded in an active market.

## **LONG-TERM CONTRACT**

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which, together, constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one financial year.

## **MATERIALITY**

The concept that the Statement of Accounts should include all amounts which, if omitted or mis-stated, could be expected to lead to a distortion of the financial statements and, ultimately, mislead

a user of the accounts.

### **MINIMUM REVENUE PROVISION (MRP)**

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

### **MOVEMENT IN RESERVES STATEMENT**

This statement shows the movement from the start of the year to the end of the year for all the usable reserves held by the Council which can be used to fund Council costs or reduce local taxation, and unusable reserves.

### **NET BOOK VALUE**

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

### **NET DEBT**

The Net Debt is the Council's borrowings less cash and liquid resources.

### **NET WORTH**

The Net Worth is the Council's value of total assets less total liabilities.

### **NON-DISTRIBUTED COSTS**

These are overheads for which there are no direct user benefits and, as such, are not apportioned to services.

### **NON-DOMESTIC RATES (NDR)**

The Non-Domestic Rate is a levy on businesses based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of central government and then redistributed back to support the cost of services.

### **NON-OPERATIONAL ASSETS**

Non-current assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

### **OPERATING LEASE**

An Operating lease is where the ownership of the non-current asset remains with the lessor.

### **OPERATIONAL ASSETS**

Non-current assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

### **PAST SERVICE COST (PENSIONS)**

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior financial years arising in the current financial year as a result of the introduction of, or improvement to, retirement benefits.

### **PENSION SCHEME LIABILITIES**

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

### **PRECEPT**

The levy made by precepting authorities on billing authorities, requiring the latter to collect income

from Council Tax on their behalf.

### **PRIOR YEAR ADJUSTMENT**

A Prior Year Adjustment is a material adjustment applicable to previous years arising from changes in accounting policy or from the correction of a fundamental error. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

### **PROVISION**

An amount put aside in the accounts for future liabilities or losses which are certain, or very likely, to occur but the amounts or dates of when they will arise are uncertain.

### **PUBLIC WORKS LOANS BOARD (PWL B)**

A Central Government Agency which provides loans for one year and/or more to authorities at interest rates only slightly higher than those at which the government can borrow itself.

### **RATEABLE VALUE**

The annual assumed rental of a hereditament, which is used for NDR purposes.

### **RELATED PARTIES**

There is a detailed definition of related parties in IAS 24. For the Council's purposes, related parties are deemed to include Central Government, Local Authorities and other bodies, either precepting or levying demands on the Council. Related Parties can also include subsidiary and associated companies, joint venture and joint venture parties and particularly Members and chief officers of the Council.

When considering who is a related party, regard is also taken of transactions involving members of the close family or household of any individual listed.

### **RELATED PARTY TRANSACTIONS**

The Statement of Recommended Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

### **REMUNERATION**

All sums paid to, or receivable by, an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

### **RESERVES**

Reserves are the accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves, such as the Revaluation Reserve, cannot be used to meet current expenditure.

### **RESIDUAL VALUE**

The residual value of an asset is the net realisable value of an asset at the end of its useful life.

### **RETIREMENT BENEFITS**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

### **REVENUE EXPENDITURE**

Revenue Expenditure represents the day-to-day expenses of providing services.

### **REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)**

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a

capital nature to voluntary organisations.

**REVENUE SUPPORT GRANT**

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

**SUPPORTED BORROWING**

The Council borrows money to fund part of its capital programme. This borrowing is recognised by Central Government in its calculation of formula funding for the Council.

**TEMPORARY BORROWING**

Money borrowed for a period of less than one year.

**TRUST FUNDS**

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

**UNSUPPORTED BORROWING**

The Council can borrow additional money to the borrowing supported by Government to finance its capital expenditure as long as it is affordable and sustainable. This power is governed by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code, with which the Council fully complies.

**UNUSABLE RESERVES**

Unusable Reserves are those reserves used to absorb the differences between the outcome of applying proper accounting practices and the requirement of statutory arrangements for funding expenditure. Such reserves include the unrealised gains and losses in relation to revaluations of property, plant and equipment where the value only becomes available if the asset is sold.

**USABLE RESERVES**

Specific amounts set aside for future policy purposes or to cover contingencies. They can be used to fund expenditure or reduce taxation.

**USEFUL ECONOMIC LIFE (UEL)**

The period over which the Council will derive benefits from the use of a non-current asset.

**WORK-IN-PROGRESS (WIP)**

The cost of work performed on an uncompleted project at the Balance Sheet date.



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# Annual Governance Statement 2019/20

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| Principle C - Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits            | <b>Assured<br/>Page 138</b> |
| Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes               | <b>Assured<br/>Page 140</b> |
| Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it | <b>Assured<br/>Page 144</b> |
| Principle F - Managing risks and performance through robust internal control and strong public financial management      | <b>Assured<br/>Page 147</b> |
| Principle G - Implementing good practices in transparency, reporting, and audit to deliver                               | <b>Assured<br/>Page 149</b> |

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## Introduction

To demonstrate good governance, the Authority must show that it is complying with the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (CIPFA / Solace, 2016). This statement has been prepared in accordance with those principles.

Aspects of the Council's governance arrangements have been strengthened and modernised in recent years across a number of governance themes. The current Council plan has been in place since 2017 and this places an emphasis on our governance structures to enable the outcomes of the plan to be delivered.

<https://www.anglesey.gov.uk/documents/Docs-en/Council/Democracy/Council-Plan/Council-Plan-2017-2022-Plan.pdf>

In addition, over the last few years six key themes have been developed by staff and management to support our aims and objectives –

### **1. Professional and Well Run**

*We are committed to developing a democratic and professional partnership that will deliver effective, strong leadership and establish the necessary professional, and organisational behaviours required, to secure improvement*

### **2. Innovative, Ambitious and Outward Looking**

*We will establish an environment and culture that encourages and nurtures, innovative and creative, ideas and solutions looking beyond the organisation to seek ambitious solutions that benefit our customers, citizens and communities*

### **3. Customer, Citizen and Community Focused**

*We will actively engage with communities, citizens and customers, seek their views, understand their needs and respond accordingly fully explaining and communicating our actions*

### **4. Valuing and Developing our People**

*We will value and develop our people, so that they are skilled and motivated, and always professional in the way that they work. We will recognise success, innovation and a commitment to providing exceptional customer service*

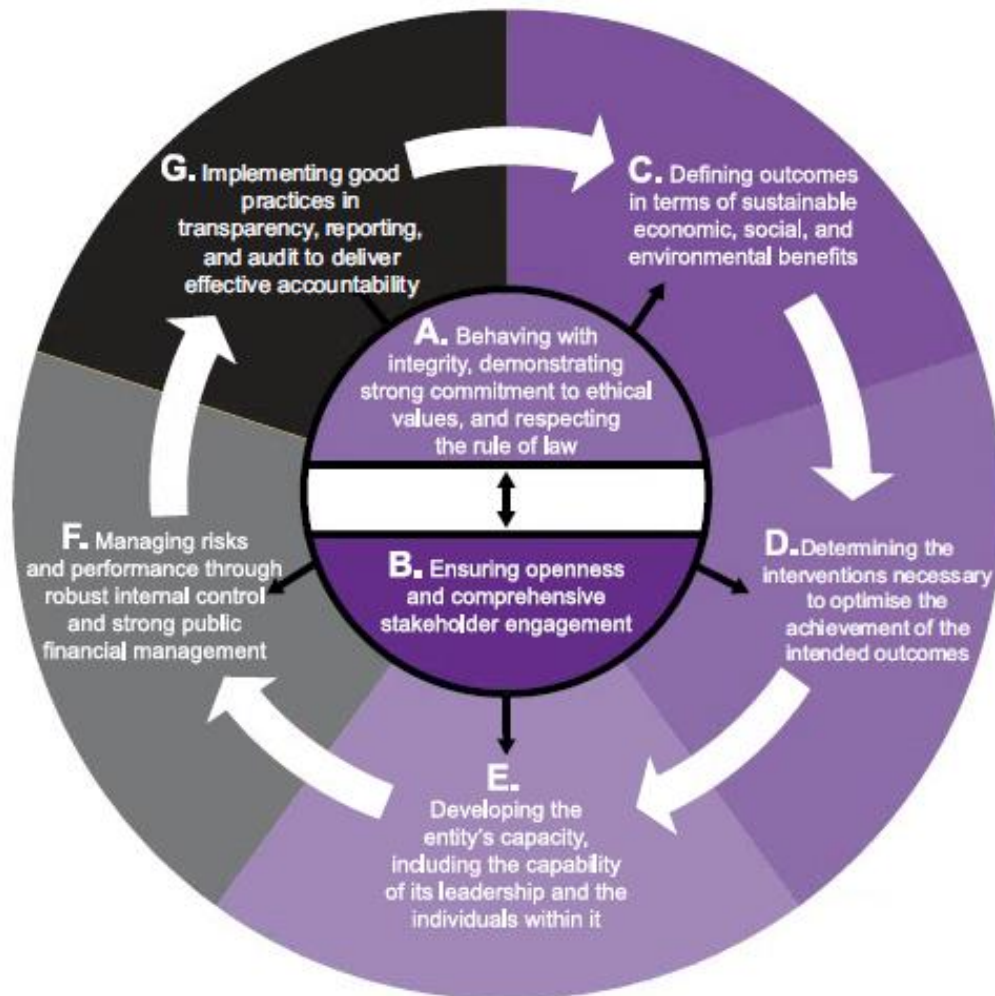
### **5. Committed to Partnership**

*We understand that we cannot deliver the required transformation on our own and are committed to working in partnership with public, voluntary and private sector partners in order to deliver sustainable growth and development*

### **6. Achieving**

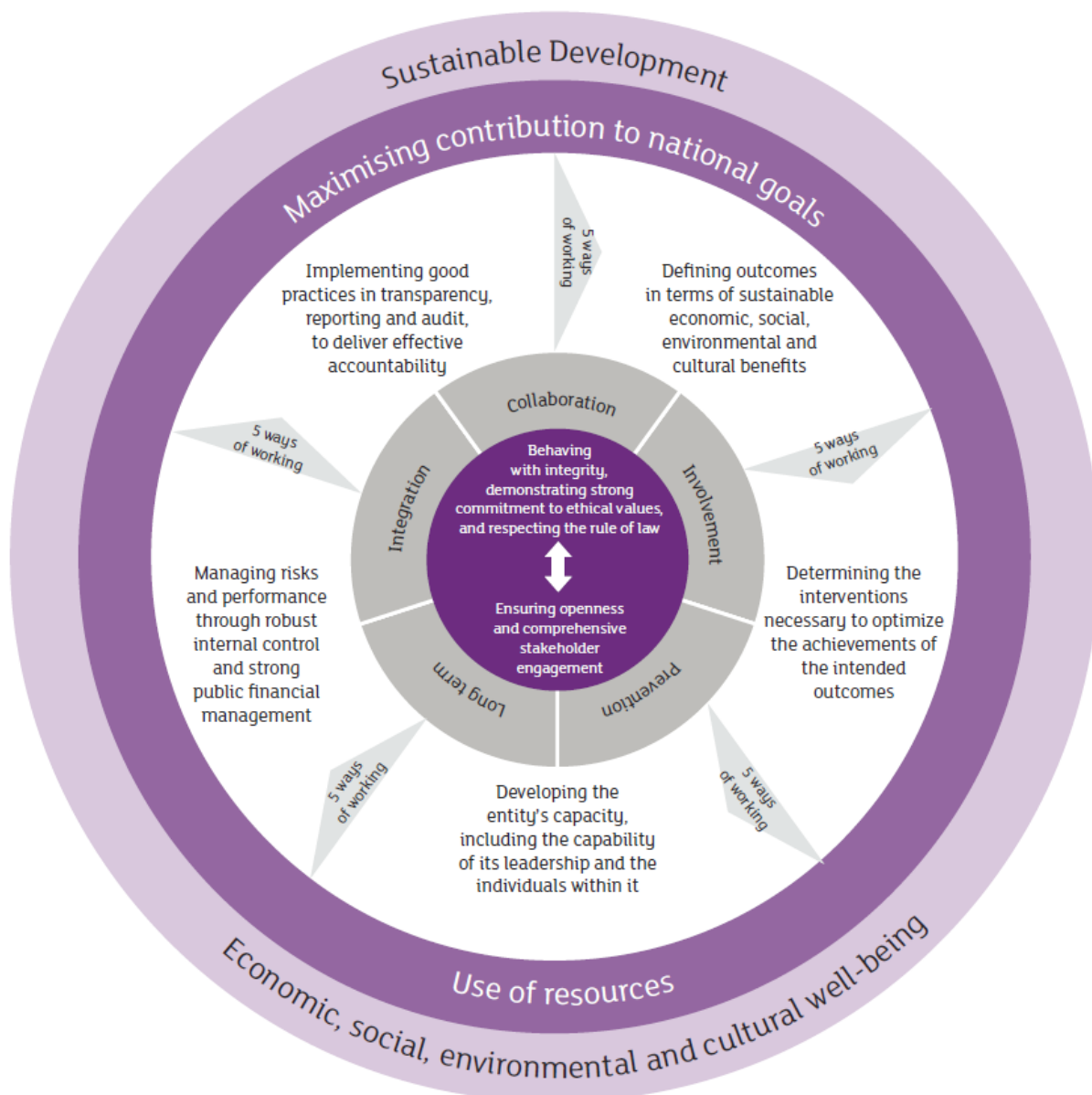
*We are results and outcome orientated and strive to improve our performance in the important areas of our work.*

These can be aligned to the seven core principles in the CIPFA/SOLACE framework. These are contained within 'Delivering Good Governance in Local Government (Wales) 2016' that have been adapted for local government purposes:-



Source: *Delivering Good Governance in Local Government: Framework (2016 Edition)*

The Council aims to achieve good standards of governance by adhering to the seven core principles above and also adhering to the Wellbeing of Future Generations (Wales) Act 2015 principles which together form the basis of the Council's Code of Corporate Governance.



Source: *Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities (2016 Edition)*

We have sought within this Annual Governance Statement to show how all the above key themes and principles have been central to all our endeavours during 2019/20. It is important to note, however, that this year's statement is drafted at a time when normal, day-to-day governance structures and systems have been disrupted due to our response in tackling the COVID-19 pandemic.

This rapid response (overnight) during the fourth week of March involved new ways of working in dealing with a very uncertain future which has been realised through the emergency governance framework that was established and the commitment and diligence of the workforce and partners.

This was led by our Senior Leaders through the establishment of the Emergency Management Response Team and certain delegated powers which were delegated to the relevant Officers and elected Members.

## Scope of Responsibility

The Isle of Anglesey County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure **continuous improvement** in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk together with adequate and effective financial management.

The Council has approved and adopted a local code of corporate governance that is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. This local code is to be revised during 2020/21.

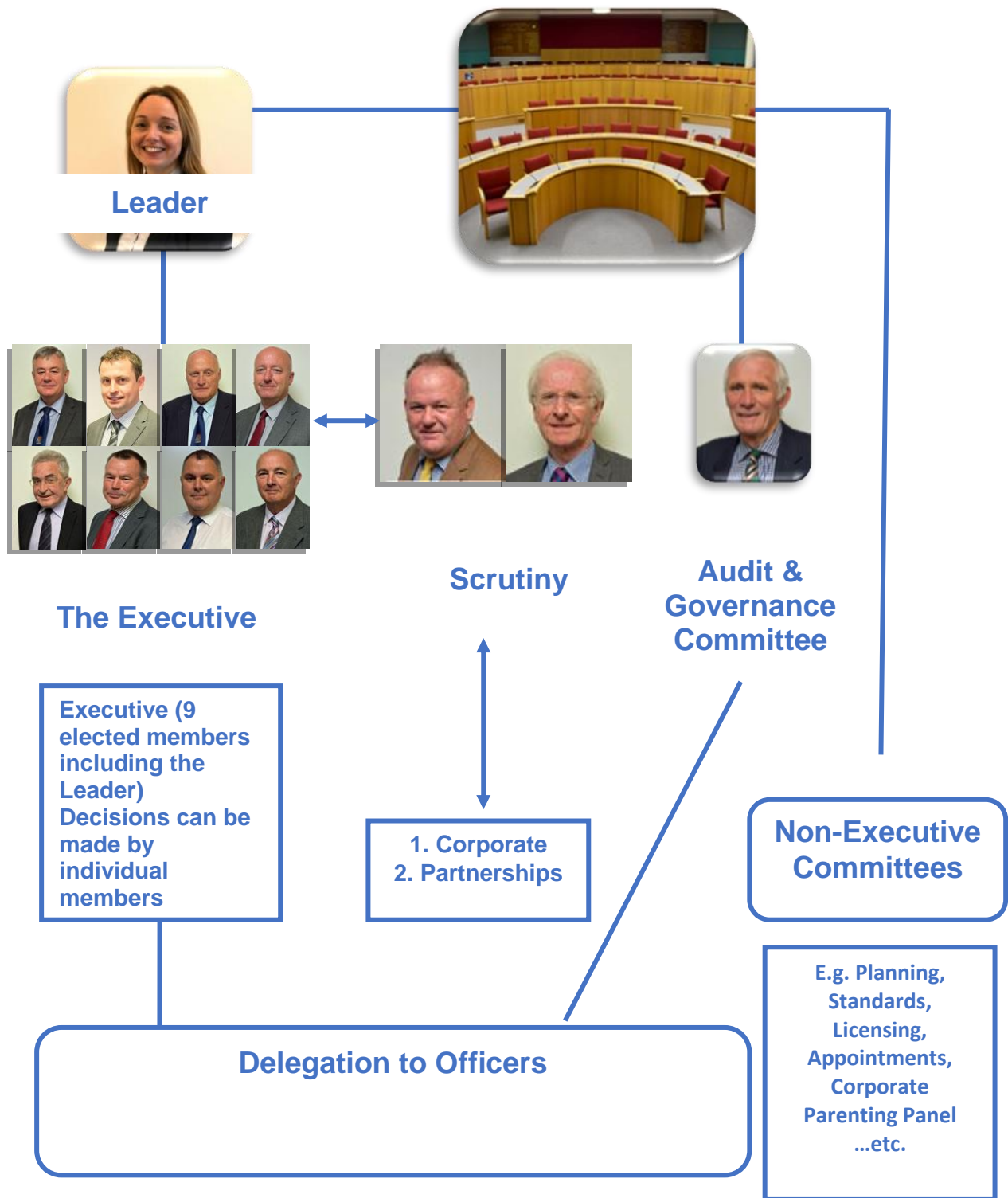
This statement explains how the Council has complied with the code and meets the requirements of non-statutory proper practice encouraging the publication of an Annual Governance Statement. It also meets the requirement of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2014 in relation to the publication of a statement on internal control.

## The Governance Framework

The governance framework comprises the systems, processes and cultural values by which the Authority is directed and controlled. It also guides the activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance of effectiveness. A broad overview of structure of IoACC Political Management arrangements can pictorially be represented as follows –





The governance framework has been in place at the Council for the year ended 31 March 2020 and remains applicable up to the date of the approval of the Statement of Accounts. Where any new arrangements have been introduced during the year this has been noted.



## Analysis of the Governance Framework 2019/20

The current framework as it relates to each of the seven Corporate Governance principles is described in the interlinked topics as outlined and is available at:

<https://www.anglesey.gov.uk/en/Council/Council.aspx#as?folderIds=2864,3428>

The following summary focuses on the work to develop and strengthen the framework and outlines areas of weakness identified during the 2019/20 financial year.

| Principle A   |   |
|---|---|
| <b>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b> |   |
| <b>Related Key Theme:</b>   | Professional and Well Run   |
| <b>Conclusion of Self-Assessment:</b>   | <b>Assured</b> – The County Council has clear, transparent decision-making processes which incorporate strong ethical values and are lawful. The codes of conduct set out expectations for behaving with integrity. |

### How we do this:

The Six Key Themes incorporated within the revised Council Plan for 2017-22 set out the Council's values and these are embedded in the Council's transformational activity and future vision for delivery. As a result, the Six Key Themes continue to underpin the corporate way of working and the importance of good governance is emphasised in the Council Plan.

There are a number of codes of conduct and protocols in place as part of the Constitution to ensure high standards of conduct and behaviour. There is a Policy for the Prevention of Fraud and Corruption in the Constitution with subsidiary plans in place. This includes the Officers' Code of Conduct, which is statutory. Local Guidance has now been published and circulated to all staff during 2019/20.

The Monitoring Officer acts as the lead officer for the Standards Committee (SC), with seven of its nine members external appointments, and the remainder being Elected Members. The Committee develops and supports independence and objectivity rather than political governance and achieves this in the following ways:

- Chairman's Annual Report to Council
- Work Programme approved annually by the Council
- Four quarterly meetings and as many extraordinary meetings as are necessary to deal with referrals from the PSOW and applications for dispensations
- Dealing with any matters referred under the Local Resolution Protocol
- Dealing with any Public Services Ombudsman Wales local view requests
- Training and development arranged by the SC and/or undertaken by the SC.

The Standards committee forum also undertakes annual learning sessions and a Report on the Standards Committee Forum and learnings from the Forum is received by the Committee itself. Examples of the types of learning achieved as part of this forum during the year are noted as follows –

- Presentation by the PSOW
- Lessons from the Committee on Standards in Public Life's Review of the Code of Conduct in England
- Joint Standards Committee discussion on creation of a joint regional Standards Committee/s
- Discussion regarding WAO Reports in relation to two community councils within the IOACC.
- Review the three registers of interests of all elected and co-opted members of the County Council and report individually to those members and collectively on findings and recommendations for improvements and sharing good practice.
- Supporting the Standards Committee Chair in dealing with local resolution complaints.

In addition to the above, and a continuation from 2018/19, there is joint working between the two management teams through the Penaethiaid (Heads of Service) meetings and members of the Senior Leadership Team who act as link officers with Heads of Service to ensure clear communication on how strategic/corporate priorities are being implemented within Services.

With the appointment of the new Chief Executive during the year, further strategic forums have been established between Senior Officers and the Executive to provide strategic direction on a number of work-streams. These include strategic Senior Leadership Team meetings every fortnight together with strategic Executive discussions as and when required.

## Principle B

### Ensuring openness and comprehensive stakeholder engagement

|                                       |  |
|---------------------------------------|--|
| <b>Related Key Theme:</b>             | Customer, Citizen and Community Focused  |
| <b>Conclusion of Self-Assessment:</b> | <b>Assured</b> – The Council exists to serve its residents and is dependent on a wide variety of stakeholders for working effectively in partnership. Engagement and consultation mechanisms are in place. |

#### How we do this:

All **Executive** and Council meetings are held in public (with the exception of exempt items) and all papers are published on the Council website. All reports to committees are accompanied with a cover report, which details a summary of the report, the recommendations seeking approval and a rationale for why that recommendation has been made, in order to show the reasoning and evidence for decisions.

A Combined **Forward Work Programme** for the Executive and Scrutiny Committees is publicly available and published on the Council's website. There are clear timescales for the submission, publication and distribution of reports.

As in previous years and in the current financial climate the Council recognises that it needs to work closely with its key partners in this area of work to avoid duplication and utilise its resources effectively.

There is evidence of good engagement practice at service level which demonstrates how the Council shares its decisions, and there is a growing culture of trust and understanding with its citizens, e.g.

- Consultation on Budgets
- School Modernisation – Llangefni Area

However, the Council continues to recognise that there is always room for further improvement in widening the cohort of citizens who actively engage (including hard-to-reach groups) and the standardised and simplified process for engagement across the public and third sector has become operational.

The **community engagement model** is being used to improve the corporate approach to community engagement. The model has since its inception been tailored for use in different engagement and consultation work. This model has been signed off by the revised **Engagement & Consultation Board** led by the Deputy Chief Executive and with membership from external organisations such as Medrwn Môn.

The Engagement and Consultation Board provides a cross-Council approach to engagement and stakeholder involvement which reduces duplication, ensures a collective approach to engagement and improves our area-based intelligence as a Council.

To assist the Council to contribute to its theme of achieving '*excellent customer, citizen and community focus*' (Six Key Themes), the **Transforming Business Processes Board** was established in January 2019 to replace the Customer Service Excellence Board. It is responsible for all aspects of Customer Service and monitors our customer experience improvements for our residents with the focus being placed in the first instance during 2019/20 on:-

- Identifying and implementing priorities related to the implementation of the Digital Strategy as outlined by the Penaethiaid thereby making it easier for residents to engage with the Council virtually through an increased number of digital channels

The **Customer Service Charter** was agreed in 2015 following consultation with front-line stakeholder groups, officers, Elected Members, staff and trade unions. It continues to outline our promises to the customer on how we will deal with their requests and also outlines the expectations we have of our service users to ensure that a clear understanding is established at the outset. The values embraced in the Charter include 'putting the customer first' and demonstrating a 'can do' attitude. In accordance with its language policy, the Council is committed to ensuring that service provision is available in the chosen language of the service user and under the Transforming Business Processes Board the requirement to update the strategy as a collective whole is a key aim for 2020/21. The output will need to take into consideration the 'new world' by which we'll be operating as a result of the current pandemic and its impact on social / face-to-face activity.

The webcasting of meetings has demonstrated a positive example of how Anglesey has progressed its openness and customer / citizen focus by webcasting Executive, Planning & Orders and Council meetings. This continues to be the case and it also adds to the transparency of decision making and involves a much wider audience for debates. This is an effective example of the channel shift agenda and the Council's continuous drive to address democratic renewal and ensure a greater degree of stakeholder involvement.

Annual reports on their work were published by Scrutiny as well as the Standards and Audit and Governance Committees. Since June 2014, individual Elected Members have also published annual reports thereby emphasising the accountability and openness of the Council's work.

There are longstanding arrangements for engaging with employees: with Trade Unions through the Local Joint Consultative Committee and less formal meetings, and communication with staff generally through e.g. monthly staff bulletins. Managers and staff have been consulted and involved in a number of decision-making matters as part of the developing agenda.

A **Concerns and Complaints Policy** is operational and provides an emphasis on; Customer Care, the systematic recording of all concerns, early resolution, and the demonstration of lessons learnt and the implementation of improvements. The Policy is based on that of the Public Services Ombudsman for Wales as required by the Welsh Government.

Statistical information about service complaints is published monthly on the Council's website and forms part of an annual report to the Audit and Governance Committee which also deals any complaints dealt with under the Whistleblowing Policy.

| Principle C  |   |
|--|---|
| <b>Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits</b> |   |
| <b>Related Key Themes:</b>   | Customer, Citizen and Community Focused<br>Committed to Partnership<br>Achieving  |
| <b>Conclusion of Self-Assessment:</b>  | <b>Assured</b> – The County Council works with communities to plan outcomes. In setting policies and strategies, the County Council takes a long term view about outcomes, taking into account sustainable economic, social, cultural and environmental benefits. |

**How we do this:**

The Council's adopted Plan 2017-22 (September 2017) guides the work of the Council and provided certainty of direction for the local area during 2019/20.

It is a Plan which describes priorities succinctly and clearly and explains how the priorities reflect the views of the citizen and is aligned to the ever-developing medium term financial strategy. This highlights the resources which are required to realise the current Council Plan. The Council Plan provides the framework that helps shape budgets, and against which the Authority can assess and account to the community on the level of progress made against targets set, and inform them about areas for further improvement. The **Medium Term Financial Strategy** is also reviewed annually, in line with other annual corporate priorities which are defined in terms of the Annual Delivery Document and demonstrates succinctly our aims in terms of economic, social, cultural and environmental benefits. One area which has been wanting is a corporate climate change strategy to provide future direction on environmental matters. This will be realised during 2020/21.

All services produce an annual **Service Delivery Plan** that shows clearly how they contribute towards achieving our corporate priorities. All service plans contain measures to evidence how actions will make a difference. As indicated, service plans are reviewed annually and are also subject to regular monitoring through the production of a quarterly scorecard – which looks at how services are delivering on the priorities in their plan. The scorecard is reported to the Senior Leadership Team, and is considered by Scrutiny and The Executive which is transmitted live via webcasting.

Services are also subject to six-monthly **service reviews** – looking specifically at the budget and expenditure in June and on performance and outcomes between November and January. Members of the Senior Leadership Team and elected members, from both the Executive and Shadow Executive, rigorously challenge service performance at the service review sessions. Actions to address issues or improve performance against set targets are then agreed at the meetings for implementation over the next 12 months.

Partnership and collaboration continues to play an integral part of the way the Council seeks to achieve its ambitions and its corporate agenda. For a ‘small’ Council it is an important means of building capacity and is fundamental to our approach of achieving shared priorities. We believe that successful partnership working is essential to the delivery of better services to our customers and a successful Anglesey. Improving the well-being of our citizens under the new legislation will increasingly depend on us working in partnership with others.

The Council continues to actively engage in a number of strategic partnerships at national, regional and local level. The criteria and reasoning for entering into partnerships has been reviewed recently as part of the partnerships policy and guidance, and still stands.

Anglesey Social Services is committed to partnership working on both a local, sub regional, regional and national basis in order to deliver outcomes which are of benefit to citizens and communities. This has been recognised as a strength in external inspection reports for us to build on. Both Children and Adult Services remain actively involved in the All Wales and the North Wales agendas to improve the delivery of social services through a collaborative approach.

Governance arrangements are in place via the **North Wales Social Care and Wellbeing Improvement Collaborative (NWSWIC) and the Regional Partnership Board**. NWSWIC has in place a comprehensive programme of improvement through collaboration focused on the requirements under Part 9 of the **Social Services and Wellbeing (Wales) Act 2014**. This partnership ethos can be further evidenced through the collaboration of the Council’s Social Services with Betsi Cadwaladr University Health Board (BCUHB) via the Integrated Delivery Board (IDB).

The **Welsh language** is central to the life of the island of Anglesey and is part of its rich cultural heritage. To promote the Welsh language strategically at a community level, the Council has established a Language Forum in collaboration with its key partners. Its role includes identifying opportunities for collaborative projects such as Arfor, assisting to assess the impact of large-scale economic projects on the Welsh language and scrutinising the work of the Council in promoting language issues.

The Council has adopted a **Welsh language strategy** with the aim of increasing the use of the Welsh language within our communities to 60% by 2021. This, together with meeting the expectations of the Welsh language standards provides a robust framework for the future partnership work to embed the use of Welsh across services and provision within communities.

The Council is currently in the process of developing a climate change action plan which will guide decisions related to climate change over the forthcoming term. It is being developed via a cross-council approach under the leadership of our Deputy Chief Executive and seeks to learn from and build on the climate benefits created by many in the workforce.

| Principle D   |   |
|---|---|
| <b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b> |   |
| <b>Related Key Themes:</b>  | Innovative, Ambitious and Outward Looking   |
| <b>Conclusion of Self-Assessment:</b>   | <b>Assured</b> – The County Council takes decisions on interventions based on its clear vision for services, the way it engages with communities, regulators and practical expertise of professional service officers. This combination leads to optimising the achievement of intended outcomes. |

**How we do this:**

The Isle of Anglesey County Council has an approved **Constitution** that sets out clearly how the Council operates and how decisions are made and procedures need to be followed to ensure efficiency, transparency and accountability.

The arrangements for the delegation of Executive decisions to individual Members are now well established across the Authority.

Members and the public have had the full benefit of access to committee papers and supporting information for a number of years.

**Policy approval and decision-making** is undertaken by Elected Members, the meetings of which are open to the public except where exempt matters are being discussed under Schedule 12A Local Government Act 1972.

The Council meets a minimum of four times a year. It approves overall policies and sets the budget each year. The Council agrees the form of the Authority's Committees (in accordance with the provisions of the Local Government (Wales) Measure 2011 where appropriate), appoints the Leader of the Council (who in turn appoints the Council's Executive) and carries out all other functions assigned to it under the Constitution.

Political governance within the Authority has been embedded since the last elections and a cross-party ruling group of 21 members now leads the Council. Specific changes were made to the Constitution, such as the introduction of a four / five-year term for the Leader of the Council, which has enabled political stability.

These foundations have created a structure which allows for effective political governance. The evidence from the last few years demonstrates a functioning and effective decision making process, with appropriate mechanisms for assurance and improved performance.

The approach incorporates **Council, the Executive, the Audit and Governance Committee, Democratic Services Committee, Planning & Licensing, Scrutiny, and the Standards Committee.**

The **Council** has responsibility for the policy and budget framework. Key governance reports are matters for Council, and Council agrees the annual revenue and capital budget.

The **Executive** is the key decision-making body and consists of the Leader (who takes the Social Services portfolio) and eight further Portfolio Holders, who take responsibility for the following portfolios:

- Education, Libraries, Youth & Culture
- Planning and Public Protection
- Service Transformation & Welsh language
- Finance
- Corporate
- Highways, Property and Waste Management
- Major Projects & Economic Development
- Housing & Supporting Communities.

**The Audit and Governance Committee** is a key component of the Authority's governance framework. The committee has two lay co-opted Members which serves to widen its independent knowledge and experience base. These appointments are appointed for the term of the current Council.

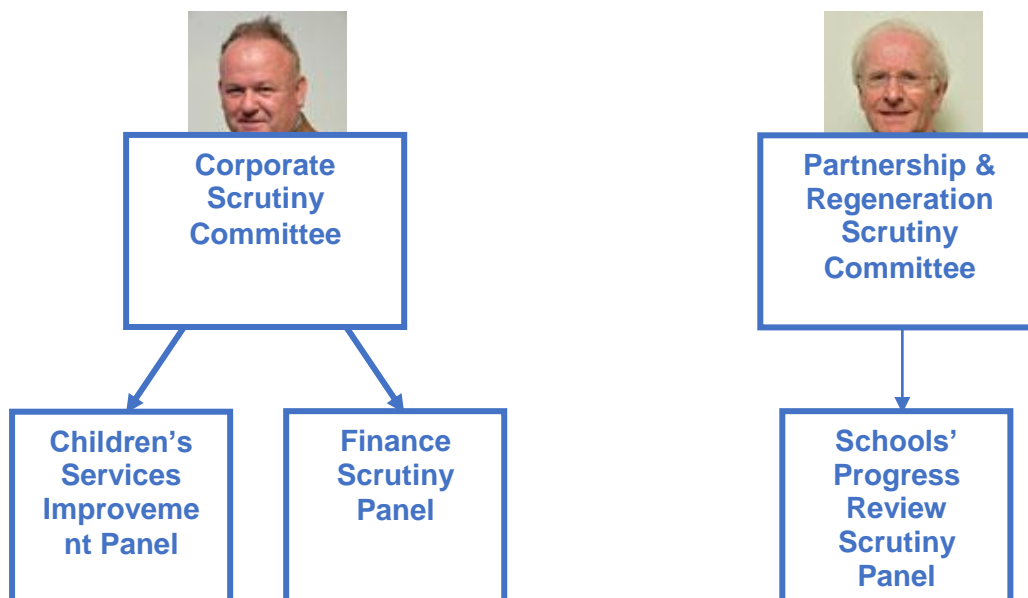
The Committee provides independent assurance to the Council and its statutory officers on; the adequacy of the governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators it makes an important contribution to ensuring that effective assurance arrangements are in place.



The Committee undertakes an annual self-assessment on its performance which is reported to Council and informs its forward work plan.

The **Democratic Services Committee** meets on a quarterly basis and is responsible for reviewing the adequacy and support for Members which covers: Member development, staffing resources and facilities. The Chair of the Committee has been issued with a specific job description, and members of the Committee have a separate job description setting out roles and responsibilities. The Chair also acts as the Member Development Champion. Scrutiny committees form part of the way in which the Council operates. Their prime role is to hold the decision-makers to account, drive improvement, act as the voice of the community and play a role in policy development and review. In ensuring robust and effective decision-making, Member scrutiny makes a crucial contribution to effective governance arrangements.

The scrutiny function at the Council continues to be delivered through a structure comprising of two parent committees and three panels:-



The focus of the work of the **Corporate Scrutiny Committee** is to provide assurance regarding:

- performance and delivery of all services
- ensure the Council achieves its corporate and service objectives
- support and make recommendations for continuous improvement.

The primary focus of the **Partnership and Regeneration Scrutiny Committee** is to ensure that the interests of the citizens of the Island are promoted and that best use is made of Council resources, in line with the Council’s priorities, that demonstrate added value from working with partners. The remit of the committee includes regional and national arrangements as well as local arrangements. The committee is also the nominated Crime and Disorder Committee as required under the Police and Justice Act 2006 and the designated committee for scrutinising the work of the Ynys Môn and Gwynedd Public Services Board.

We have recently adopted a development programme which provides the framework to prioritise a number of key themes. Over the past 12 months or so our focus has been on:

|  |                                  |   |  |  |
|--|----------------------------------|---|--|--|
| Reinforcing a “whole Council” approach to Scrutiny | Improving the impact of Scrutiny | Building capacity & capability for effective Scrutiny | Improving public engagement in our Scrutiny work | Wellbeing of Future Generations and Scrutiny |
|--|----------------------------------|---|--|--|

Members represent Scrutiny on various internal Boards and review groups, the purpose of this being to promote inclusion, add value to the discussion and to report back to their Scrutiny Committee on progress and to raise areas which may require formal Scrutiny. Each of the two Scrutiny Committees reports their activity to the Council at its annual meeting.

In order to drive the change agenda and deliver the Council’s Plan, a Programme Management framework is in operation.

Two **Corporate Transformation Programme Boards** are as follows -

1. Corporate Governance Programme Board, and
2. Transforming Services Programme Board.

These have an overview of a number of high priority projects which the Council is committed to achieving and are responsible for setting a direction for them.

Each of the Corporate Transformation Boards includes representatives of both Scrutiny Committees and the Executive, providing an opportunity to identify areas where the Members’ role can add value either on the Boards themselves or through the Scrutiny process.

The corporate method of managing projects and programmes is maturing year-on-year as a result of strengthening our Governance arrangements. Welsh Government has identified good practice in some of our programmes and other projects and programmes have gained national success and UK-wide recognition over the past few years.

Examples (non-exhaustive) of intended outcomes which have been realised through this framework include –

- Confirming our position as a good performing Council in Wales
- The opening of Ysgol Santes Dwynwen, Newborough
- The continued realisation of nearly 70% household waste being recycled annually
- The opening of our revamped Market Hall, Holyhead with the new town library

Further work is being progressed across different programmes and projects but the COVID-19 pandemic has brought a halt to day-to-day proceedings in a number of areas due to the fact that a number of staff members have been re-directed to projects and programmes developed to deal with the outbreak and ensure the residents of Anglesey and Council staff are protected and being kept as safe as possible whilst also being supported accordingly.

The way by which the Council has reacted to the emergency situation of COVID-19 has been supported by –

- Robust governance for its emergency response
- Robust and effective IT provision which underpins the current emergency response arrangements
- An effective process for gathering, analysing and sharing local, regional, and national sources of information to enable informed local decision-making
- Effectively engaging and collaborating with regional emergency response structures and arrangements in order to learn about good practice from other authorities and emergency response organisations

The above demonstrates that the Council has appropriate systems and structures in place to determining the interventions necessary to optimise the achievement of the intended outcomes even at times when it is faced with an international emergency situation such as COVID-19. It also outlines how the internal governance will be utilised to inform, influence, monitor and drive forward the Authorities activities to ensure the Island recovers from the emergency.

| Principle E   |  |
|---|--|
| <b>Developing the entity’s capacity, including the capability of its leadership and the individuals within it</b> |  |
| <b>Related Key Themes:</b>  | Valuing and Developing our People  |
| <b>Conclusion of Self-Assessment:</b>   | <b>Assured</b> – The County Council has the appropriate structures and leadership in place and people with the right skillsets and qualifications to ensure it is operating efficiently and effectively to achieving intended outcomes. There are clear policies and strategies in place to demonstrate that it has the capacity to fulfil its mandate and that management has the operational capacity. |

## How we do this:

The Council has achieved the **WLGA Charter for Member Support** in recognition of the work that we have undertaken to provide a high standard of support to Members to undertake their diversity of roles ranging from that of community leader, to their special responsibilities within the Council.

In addition, most of the Members have undertaken professional development reviews (PDRs) and training needs have been identified from these. Whilst still in its infancy at Anglesey, such a development is seen as key to enabling Members to be more effective in their role. This includes independent Members of the Standards Committee whose performance and objectives are reviewed by the Standards Committee Chair. Member training is monitored by the Council's Democratic Services Committee.

The Council has continued over the past 12 months to use the now well-established all-member briefing sessions on major developments / key strategies and budget proposals. This has proved useful in increasing the wider appreciation and understanding of different initiatives prior to further debates and scrutiny in public forums.

The Council's People Strategy continues to support the Council's vision and provides a framework for moving our people management forward.

The People Strategy has five key priorities:-

- Recruiting and retaining the best (innovative, ambitious and outward looking)
- Inspiring service excellence (customer/citizen and community focused)
- Building Organisational effectiveness (professional and well run)
- Engaging, developing and managing our Talent (valuing and developing our people)
- Developing the skills and capacity of our workforce (valuing and developing our people).

The **Managers' Forum** continues with revised vigour and is now led by the Head of Children's Services in collaboration with Officers. As part of their activity, individuals across the Authority have been given an opportunity to work on corporate projects and strategies.

The [staff awards ceremony](#) continued and recognises, celebrates and promotes the achievements of Council staff. Every day our staff work hard to deliver public services for the people of Anglesey, and the staff awards are an opportunity to showcase good work and demonstrate how much we value our people. There are six categories of award which mirror the 'Six Key Themes'. During 2018 the ceremony was expanded to include staff recognition to include Welsh learner of the Year, the Leader Award, The Executive's award and the Chairman's Award.

During 2019 a staff survey was undertaken and we're awaiting the publication of the results. This has been postponed as a result of the Council's response to the Coronavirus pandemic.

The Council has a strategic **Equalities Plan 2020-24** adopted by the Executive in March 2020, which highlights our commitment to equality, both in the provision of services and as a major employer, and to the elimination of unfair and unlawful discrimination in all our policies, procedures and practices. Progress on its key priorities are included in its annual monitoring report to the Equalities Commission and the Council is a key member of the North Wales Equalities network.

Internal engagement is essential in developing a 'Team Môn' culture and there is a need to further refine and review post the pandemic using the learning acquired to become even more effective and efficient with our **Internal Communication Framework** to enable and secure a greater level of participation from Officers at all levels within the Council. The views and opinions of staff and Members in contributing to the corporate agenda are welcomed and valued. Current opportunities include:

- Monthly Penaethiaid meetings
- Quarterly Managers' Forum
- Member Briefing Sessions
- Thematic Workshops (i.e. budget)
- Service Management Meetings
- Annual Service Reviews
- Team Meetings
- One to One Supervisions
- Employee appraisals
- Staff suggestion schemes
- Use of Y Ddolen to keep abreast of corporate initiatives
- Use of Medra Môn as a newsletter

Whilst corporate internal communication has improved significantly under the leadership of the revised SLT under the new Chief Executive – it is still felt that this is an ever-improving area of work which is developing under the opportunities afforded by improvements in technologies. The introduction of MS Teams and utube presentations are an example of this and have been instrumental in the way the Council has been able to conduct its business during the said pandemic.

The regular informal briefing sessions for Members (outlined previously) enables a better understanding of specific work areas and allows them to prepare for informed scrutiny and decision-making.

We are a fully bilingual Council and a high proportion of our staff and most Members are first language Welsh speakers. All corporate communications are therefore produced bilingually, providing staff and Members with the ability to communicate in the language of their choice. Non-fluent Welsh speakers are supported to improve their Welsh language skills in an inclusive environment.

## Principle F

### Managing risks and performance through robust internal control and strong public financial management

#### Related Key Themes:

Professional and Well Run

#### Conclusion of Self-Assessment:

**Assured** – The Council has an effective performance management system that facilitates effective and efficient delivery of services. Risk management and internal control are integral and important parts of the performance management system and are crucial to achieving the outcomes of the Council Plan.

#### How we do this:

A Performance Management Framework is in place which starts with the medium-term Council Plan (the current plan is for the period 2017/2022 as mentioned above) and each subsequent year with an Annual Delivery Plan. These set out what the key priorities of the Council are and what it hopes to achieve. The framework also includes performance management reports to identify whether the Council is achieving its planned objectives. These reports include quarterly scorecards, half-yearly challenges to Services and regular reports to the Executive and to Scrutiny.

The Performance Framework continues to evolve and to focus on self-assessment by Heads of Service, and on the key areas of risk and transformation. During 2019/20, a series of Service Reviews was undertaken which covered –

- (i) Efficiencies and Service Budgets (June-July 2019)
- (ii) Performance (November 2019 - January 2020).

The Performance Review concluded that there was evidence throughout that there was continuous improvement being shown by Services This has been achieved as a result of the consistent commitment and buy-in of The Executive and Elected Members, Senior Leadership Team and Heads of Service to drive improvements and objectives.

The **Risk Management Policy and Framework** review in 2017 concluded that whilst work remains to be done to fully embed risk management throughout the Council, progress has been made and is continuing. This continues to be the case currently in 2020 and can be evidenced in the way the County Council has co-ordinated its efforts in dealing with the COVID 19 pandemic.

Risk management software was implemented during 2018/19, which has helped improve the effective management of the Council's risks by improving the recording, assessment, monitoring and reporting of risks and further embedding risk management into the Council's processes. In addition, the software provides the facility to record the 'three lines of assurance', which has improved the assurance provided to those charged with governance that the Council's risks are being effectively managed.

SLT continues to review the **Corporate Risk Register** on a quarterly basis. Services are expected to update their risk registers quarterly with any “red” or “amber” risks escalated to SLT to be considered for inclusion on the Corporate Risk Register.

During 2019/20, the Audit and Governance Committee has been presented with updates on the Corporate Risk Register.

Since the outbreak of the pandemic, the Emergency Management Response Team (EMRT) have considered the evolving risks associated with the pandemic and is managing it effectively to mitigate with the continued health of citizens, staff and elected members utmost in their decision-making.

The Executive approved the **Medium Term Financial Plan (MTFP)** for the period 2019 to 2021/22 in September 2019. The MTFP identified the potential savings required over the three-year period and set the strategy for the 2019/20 budget. The annual budget was approved by the full Council at its meeting in March 2020. The requirement to implement budget cuts and efficiencies was a pivotal part of the budget setting and the updated plan identifies the continued need to focus on budget reductions and identifying further efficiencies over the next three years in order to ensure the future financial stability of the Council, especially in light of recent developments and having to cope with additional expenses as a result of our approach to dealing with the worldwide pandemic.

The Budget Planning Process was undertaken from June 2019 to March 2020. This included consultation with statutory groups, including the Schools Forum, Town and Community Councils and businesses, as well as other stakeholders. The comments made during the consultation process were considered by the Executive as they drew up their final budget proposals and it did result in some budget proposals being withdrawn or amended.

The Council has continued to develop and embed structures, systems, processes and supporting arrangements to ensure that they support the demands of a 21<sup>st</sup> Century Local Authority. Formal arrangements are in place for the management of performance, finance, programmes and contracts, which contribute to the upholding of key elements of governance. These include -

- **Quarterly financial reports** (Revenue and Capital)
- The Council’s Treasury Management arrangements follow professional practice and are subject to regular review by the Audit & Governance Committee, the Executive and the Full Council.
- Internal Audit’s self-assessment against the Public Sector Internal Audit Standards (PSIAS) shows that the service is being delivered to the required standard. The Action Plan from the PSIAS External Quality Assessment has been fully implemented.



- The **procurement strategy** has now been rolled out across the Council which is key to the continuing success of the Authority's procuring of products and services. The Procurement team has developed and put in place new policies, a contracts management strategy, as well as reviewing the contract procedures. Training on the strategy and contract procedure rules has taken place over the year resulting in better compliance.
- The **Annual Certificate of Compliance** confirmed that the Council complied with its responsibilities relating to financial reporting, use of resources, improvement planning and performance management.
- The Council continued to make progress on **information governance** during the year. Under the leadership of the appointed Senior Information Risk Owner (SIRO), the Corporate Information Governance Board (CIGB) continues to be in place. This Group is an appropriate forum for addressing information governance issues. It receives reports on how well each Service is performing in key information management areas. It assesses risk, and recommends and monitors remedies to mitigate risks to information assets owned by the relevant Heads of Service. The CIGB may report matters directly to the Council's Senior Leadership Team.

The SIRO considers that there is significant documented evidence to demonstrate that:

- the Council's arrangements for IG and data protection compliance are reasonably effective;
- the Council has successfully met the challenges of implementing the new data protection legislation and it operates in a compliant way;
- the Council has processes in place to demonstrate compliance to the ICO and it complies with the GDPRs accountability principle;
- Data protection remains, and is likely to always remain, a medium risk to the Council because of the sensitivity of the personal data it processes, which varies between the Services.

| Principle G   |  |                           |
|---|--|---------------------------|
| <b>Implementing good practices in transparency, reporting, and audit to deliver</b> |  |                           |
| <b>Related Themes:</b>  | <b>Key</b>   | Professional and Well Run |
| <b>Conclusion of Self-Assessment:</b>   | <b>Assured</b> – The Councils Elected Members and Senior Management are accountable for making decisions and delivering services which are supported by both internal and external audits. The activities undertaken are |                           |



|  |   |  |
|--|---|--|
|  | in a transparent and clear manner to which stakeholders are able to understand and respond. |  |
|--|---|--|

### How we do this:

All **agendas and reports are available on the Council Website** unless they contain exempt information. This includes any information on 'declarations of interest' that are made at meetings. The Members' Register of Interests is also published on the Council's website.

As noted previously in Section D there are two **Scrutiny Committees**; one concerned with the internal working of the Council – *Corporate Scrutiny*, and the second concerned with external partnerships and the impact of the Council on its communities – *Partnership & Regeneration Scrutiny*. These two committees have enabled Members to take a more holistic and corporate view of the Council, its role and impact.

The **Democratic Services Committee** is responsible for reviewing the adequacy and support for Members which covers: Member development, staffing resources, facilities. The Chair of the Committee has been issued with a specific job description, and members of the Committee have a separate job description setting out roles and responsibilities. The Chair also acts as the Member Development Champion and participates in WLGA network meetings where best practice is shared.

The **Audit & Governance Committee** meets regularly to consider the effectiveness of the Council's internal control; risk management and governance arrangements; monitors the work of internal and external auditors and inspectors; monitors the relationships between auditors and staff; and monitors the responses to audit and inspection recommendations.

A number of Members have undertaken professional development reviews (PDRs) and training needs have been identified from these. This has now been extended to include independent Members of the Standards Committee whose performance and objectives are reviewed by the Standards Committee Chair.

The Council has continued with the practice of holding monthly all-member briefing sessions on major developments / key strategies and budget proposals. This has proved useful in increasing the wider appreciation and understanding of different initiatives prior to further debates and scrutiny in public forums.

The Council has an objective and professional relationship with its external auditors and statutory inspectors, as evidenced by the Annual Improvement Report. This can be found here – [https://www.audit.wales/system/files/publications/1356A2019-20 Isle of Anglesey AIR Eng.pdf](https://www.audit.wales/system/files/publications/1356A2019-20%20Isle%20of%20Anglesey%20AIR%20Eng.pdf)

During 2019/20 Internal Audit continued to operate to the standards set out in the Public Sector Internal Audit Standards (PSIAS) (March, 2017) and the accompanying Local Government Application Note (LGAN). The Internal Audit Charter defines the purpose, authority and responsibility of the internal audit activity, which is led by the Head of Audit & Risk.

In addition, the activities involved in managing risks have been recognised as playing a central and essential role in maintaining a sound system of internal control.

While the responsibility for identifying and managing risks belongs to management, one of the key roles of internal audit is to provide assurance that the management of those risks has been properly managed.

A professional internal audit activity can best achieve its mission as a cornerstone of governance by positioning its work in the context of the organisation's own risk management framework.

Risk-based internal auditing allows internal audit to provide assurance to 'those charged with governance' that risk management processes are managing risks effectively, in relation to the risk appetite. It also seeks at every stage to reinforce the responsibilities of management and the elected members for managing risk.

As a result, the Internal Audit plan changes regularly during the year following the Head of Audit and Risk's visits to services and changes to the corporate risk register.

The Senior Leadership Team, Members and officers from Internal Audit and Corporate Transformation meet regularly with external regulators to discuss the Corporate Risk Register, key developments, the findings of all external reports and to update on progress being made to implement recommendations.

Over recent years, the Council has succeeded in managing and evaluating itself regularly and as a result regulators' opinion has been positive in terms of willingness to achieve.

Care Inspectorate Wales inspected the Children & Family Service originally in November 2016 and noted that improvements were required. In its recent follow up report ([Children's Services Inspection Report – October 2018](#)) it noted that:

- "Children's services were able to demonstrate significant improvement in a number of key areas with other areas still requiring further work.
- Staff Morale is high and there is passion and commitment at all levels to continuing to work hard on the journey of improvement to deliver excellent services for children.
- There is strong leadership and governance in children's services. Members of the council were able to demonstrate their contribution to children's services improvement journey. Senior officers are visible, available and driving improvements".

Children & Family Services continued on the good work already undertaken by the service and developed at the start of the financial year a new Service Development Plan which included the areas for development identified by CIW following the re-inspection. This is monitored regularly by the Children's Improvement Panel which has a membership of Officers and elected Members.

Welsh Government has judged that the vast majority of Anglesey schools are now

performing effectively (yellow and green rated schools) with 13 of these schools placed in the highest category (green) in 2019 (compared to 11 in 2018). The number of primary schools in the red category (i.e. schools needing significant support) remains zero.

Estyn's Framework for inspecting the Authority's schools assesses the standards of teaching, learning and the welfare of pupils in individual schools. Estyn inspected six schools in 2019/20 and results show that five schools did not require follow-up activity, while one school required an Estyn review. Currently two schools continue to be in Estyn follow-up categories compared to three schools in 2018, and these schools are monitored by the Education Standards Scrutiny Panel.

## Review of Effectiveness

The Isle of Anglesey County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework has been evaluated by a combination of:-

- the results of the regular in-year review and monitoring by officers and committees;
- a review of relevant documents prepared during the year or relating to the year;
- the review of progress against the Corporate Plan;
- reviews of feedback from Estyn and CIW and the related scrutiny panels on the improvement work in relation to Education and Children's Services;
- a series of interviews with key officers;
- discussion with, and receiving comments from, groups of officers and members including the SLT and the Executive.

In addition, regular in-year review and monitoring includes:-

- formal risk management activity, including specific consideration of those risks linked to governance processes;
- internal audit, whose work takes account of identified risks through regular audits of the major systems, establishments, major projects and major governance processes, including risk management, in accordance with the annual internal audit strategy, and which includes 'follow-up' work to ensure that senior officers implement agreed recommendations;
- the annual assessment of Internal Audit by the Council's external auditors;
- the work of the Council's Scrutiny and other Committees, including its Audit and Governance and Standards committees;
- the opinions and recommendations of the Council's external auditors and other review agencies and inspectorates;

- the regular monitoring of improvement and performance against the Corporate Plan and its supporting plans and strategies by members and senior managers.

Key policies, and any amendments to them, are approved by the Executive and where appropriate, formally adopted by the County Council.

## Significant Governance Issues

Our own Internal Audit report for 2019/20 came to the following conclusion –

**There are no issues which are of a significantly high risk or impact that warrant inclusion in the Annual Governance Statement.**

During 2019-20, we have found senior management at the Council to be supportive and responsive to the issues we have raised. We have a good relationship with management; they openly share the areas where they perceive to be potential problems and take on board the results of our work as an opportunity for making improvements. We have also been commissioned to undertake advisory work in the year at the request of management, which gives a strong indicator that managers are willing to engage with Internal Audit to establish good risk and control environments.

## Governance matters identified

### Progress on Identified Governance Matters 2018/19

The table below outlines the Governance Matters identified during 2018/19 and an update on progress during 2019/20:

| Actions identified to address weaknesses   | Lead Officer / Service / Board               | Update on progress   |
|--|--|--|
| <ul style="list-style-type: none"> <li>Increase the understanding of Corporate Safeguarding in Services. This should be done with general and advanced training as appropriate</li> </ul>  | Corporate Safeguarding Board                 | Training implemented as appropriate throughout the year through the Learning Pool. To be a regular annual module in future years.  |
| <ul style="list-style-type: none"> <li>Begin to replenish the general balances by implementing the agreed new budget following the budget setting process.</li> <li>To continue to review the arrangements for updating, agreeing and monitoring the Medium Term Financial Strategy</li> </ul> | S151 Officer                                 | <p>2019/20 draft outturn figures show an overall underspend of £250k.</p> <p>The current pandemic has changed the Council's financial position significantly and this may significantly reduce the balances. Further work will have to take place.</p> |
| <ul style="list-style-type: none"> <li>Continue on the good work already undertaken by the service and develop a new Service Development Plan following the re-inspection</li> </ul>   | Head of Service - Children & Family Services | Service Development Plan has been in place since April 2019. This is reviewed at the Social Services Panel on a monthly basis.   |

|  |  |   |
|--|--|---|
| <ul style="list-style-type: none"> <li>All Services should review their expenditure to ensure fit for purpose contracts are in place</li> </ul>  | All Heads of Service                         | Resources have reviewed all external services and a contract is in place for all services.  |
| <ul style="list-style-type: none"> <li>Minimise future subsidy withholds by agreeing timetable with external auditors and escalate matters as agreed by external auditors if timetable is not being kept.</li> </ul> | S151 Officer                                 | The WAO have taken over the auditing the outstanding subsidies (17/18 and 18/19). The work has moved ahead and we are close to completing the 17/18 subsidy which will release around £6m in subsidy withholds.   |
| <ul style="list-style-type: none"> <li>Agreeing a new Corporate Customer Service strategy</li> </ul>   | Transforming Business ProcessesProject Board | A strategic direction for customer service has been developed under the Board and has been signed off by the Penaethiaid.   |
| <ul style="list-style-type: none"> <li>Monitor the effects of Universal Credit and how effective mitigation has been<br/>MISSING TEXT</li> </ul>   | Head of Service - Housing                    | <p>The Universal Credit rollout and Council lead for this work is the Service Manager, Community Housing.</p> <p>A multi-agency Universal Credit hub meeting is scheduled regularly – a review is required something missing</p> <p>O’Toole Services continuing to meet the demand of welfare rights / advice support for Island-wide residents. Four outreaches have been developed to ensure we support those who struggle with Transport and to ensure a Community-led approach is in place.</p> <p>Relationship with DWP is excellent.</p> <p>Frequent Corporate updates to ensure Council staff are aware on where to turn should UC support be required for any resident.</p> <p>Post implementation action plan reviewed bi-monthly and progress reported to the UC hub.</p> |

|  |              |   |
|--|--------------|---|
| <ul style="list-style-type: none"> <li>A cross-departmental working group including the Head of Function (Resources) and Section 151 Officer as champion has been established to ensure PCI DSS compliance.</li> </ul> | S151 Officer | A working group now meets quarterly under the Chairmanship of the Revenues and Benefits Manager. All staff have received the necessary training and the appropriate risk assessments are undertaken to ensure continued compliance. |
|--|--------------|---|

## Certifying the Annual Governance Statement

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in the document.

We propose to take appropriate steps to address these and the other weaknesses identified in the Annual Governance Statement and to further enhance our governance and assurance arrangements in the forthcoming year. We will monitor the implementation and operation of improvements through the Audit and Governance Committee and as part of our next annual review.

**On behalf of the Isle of Anglesey County Council**

**Leader, Anglesey County Council  
8 September 2020**

**Chief Executive, Anglesey County Council  
8 September 2020**



| ISLE OF ANGLESEY COUNTY COUNCIL |                                |
|---------------------------------|--------------------------------|
| MEETING:                        | COUNTY COUNCIL                 |
| DATE:                           | 9 SEPTEMBER 2020               |
| TITLE OF REPORT:                | Council Leader's Annual Report |
| REPORT BY:                      | Council Leader                 |
| PURPOSE OF REPORT:              |                                |

**Introduction**

This is my third annual report as Leader of the Council, and we certainly didn't see what lay ahead for us when planning for our terms in 2017. The report outlines the Council's activity from May 2019 to May 2020 and is in two sections - our pre-Pandemic successes and then an overview of the Council's response to the Covid 19 emergency.

At the beginning of the report it is important that I convey my thanks to all those who ensure the success of the Council in serving the people of Anglesey. I would like to pay deserved tribute to everyone who works so hard in what was one of the highest performing authorities in Wales in 2018/2019. Success is not brought about by size but rather a willingness to work for the good of society.

What have we done-



**Business Units**

Business units continue to be developed on the island. The new units in Llangefni have already been filled. The new units in Holyhead continue to attract a considerable number of enquiries despite the negative impact of Covid-19 on the economy.

**North Anglesey Recovery Plan**

Following Rehaul's decision to close the factory in Amlwch, the Executive decided to support the area by agreeing the North Anglesey Economic Recovery Plan. £495,000 was received from the NDA for this work.





### Energy Island Programme

We continue to support the Energy Island programme to support economic development based on energy generation. The offshore energy plan from Morlais is showing progress. Minesto is also constructing a factory to build their technology at Holyhead Port. The government in Westminster is expected to make a statement on consent for Wylfa Newydd in the Autumn.



### North Wales Growth Bid

The six north Wales leaders signed the 'Heads of terms' with both Governments in order to progress the North Wales Growth Bid to the next stage. Equivalent to £220million. Anglesey has exciting schemes as part of the Growth Deal, for example Morlais, Holyhead Port and innovative schemes at Msparc. I have now been elected from amongst the six leaders to lead on Energy matters for North

Wales.

### Arfor

Arfor is a grant scheme for businesses to develop and use the Welsh language. 11 businesses have received business development grants and 14 businesses have received Welsh language grants on Anglesey this year.



Creu Gwaith - Cefnogi'r Iaith



### Supply and construction of Housing

104 empty homes returned to use for households as we increased the council tax premium on empty homes. We are developing Council housing on 6 sites across the island to respond to local need. We are working in an exciting partnership with Cartrefi Conwy who are producing innovative housing in a unit in Holyhead to provide homes for the people of Anglesey.

## Llawr y Dref

The Llawr y Dref refurbishment scheme has been completed to provide comfortable homes. We have amended the allocations policy to ensure the best use of the flats for the community in Llangefni. In conjunction with the Children's Service we opened two training flats for our young people leaving care.

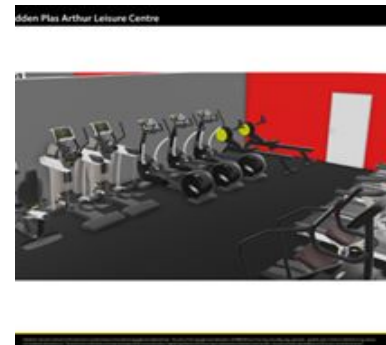


## Trac and Adtrac

The Track and Adtrac scheme has worked successfully with a group of young people, and it was pleasing to be able to invite some of them to the Council so they could share the cooking skills they had learned.

## Leisure

We are constantly striving to improve the island's leisure facilities. This year we received grant funding to create a small 3G pitch at David Hughes. The equipment in the fitness room at Plas Arthur has been upgraded.



## Market Hall

Holyhead Market Hall was opened following major repairs after being vacant for years. The building has been rescued as a focal point for the town. The Library has been successfully incorporated into the new building and offers a service for all generations to come together in a welcoming atmosphere. We are continuing to market multipurpose offices for letting.

## Parc Adfer

Parc Adfer was opened in Deeside as a recycling centre serving 5 north Wales councils. This development will generate electricity from the waste.





## Rationalizing the Council's energy use

The Council has invested £250,000 to reduce our energy consumption. We have seen a number of initiatives, for example, a scheme to improve the efficiency of the water heating boilers and solar panels in our leisure centres, schools and main building with additional grant funding.

## Flood Prevention Schemes

Flood prevention schemes in Llansadwrn, Pentraeth and Beaumaris were completed during the last year along with small flood prevention schemes. The total expenditure on flood prevention schemes for 2019/2020 is £3.5M.



## Budget

We agreed a budget for 2020/21 which enabled us to provide additional funding for Social Services and Education. It is important to note that setting the Council budget is becoming more challenging with reduced scope for savings and service pressures as the needs of the population become more acute.

## Foster Parents

The number of foster parents increased during the year due to the change in our offer, with a reduction in Council Tax, leisure membership and a parking permit. This ensures that the island's children can live here on Anglesey.







## Care Centres

We have developed a childcare cabin at Ysgol Morswyn, Holyhead, and Ysgol Pencarnisiog. These will offer all day childcare and care during school holidays. By September two more will be completed at Ysgol Esceifiog and Ysgol y Tywyn.

## 'Denu Talent'

The 'Denu Talent (attracting talent) scheme was a success again this year. 9 young people took advantage of the opportunity provided under the scheme, with some of them taking up employment within the Authority.



## Place Shaping

In collaboration with Medrwn Môn we have reached the following wards to plan for the needs of the Twrcelyn, Llifon, Rhosyr and Aethwy areas, as well as the rural area of Canolbarth Môn (Central Anglesey. ) I would like to thank the staff of Medrwn Môn and the residents of the areas for taking the time to discuss local needs and establish active groups.





## The Anglesey Show

Unfortunately there was no Anglesey Show this year but the two Anglesey Show days were extremely successful. The Council's presence at the Show is a great opportunity to share information about the Council's extensive work. It's great to welcome everyone for a chat and to get their feedback.

## Engaging with young people

It gives me great pleasure to lead a group of young people around the Council building to raise their awareness of Council services. The question and answer sessions are challenging and show the young people of the island at their best.



## Responding to the Covid-19 crisis

As Covid -19 closed in on us the Council responded and adapted very quickly to protect the vulnerable in our communities and to support those in need. I sympathize deeply with all those who have paid the ultimate price during the crisis. Bereavement is difficult in normal times but this crisis has intensified pressure on family and friends.

What we have done –

A 7 days a week emergency phone line was set up to support the vulnerable community. We received a great deal of enquiries, particularly from local businesses. I would like to thank all the staff for their willingness to work the extra hours and for being a comforting voice on the other end of the phone.

**Llinell Ffôn Argyfwng**

Mae ein llinell ffôn argyfwng ar gael 7 diwrnod yr wythnos.  
Ffoniwch **01248 750057** rhwng 10yb-4yp.

**Opsionau y ddeuwslen ffôn yw:**

- Cymorth cyllid busnesau
- Gwasanaethau Oedolion
- Gwasanaethau Plant (gan gynnwys Teulu Môn)
- Mynediad IT system gymarth leol
- Canolfannau gofal ysgolion
- Treth Cyngor a Refeniw
- Gwastraff ac Allgylchu
- Budd-dal a goslyngiad Treth Cyngor
- Llythyr Cysgodl
- Pob ymholiad arall

Mae diweddariadau gwasanaeth ar gael ar ein gwefan: [cyngormon.gov.uk/coronafeirws](http://cyngormon.gov.uk/coronafeirws) ac ar ein cyfrifon cyfryngau cymdeithasol

**GRONFA CADERNID ECONOMAIDD**  
**ECONOMIC RESILIENCE FUND**

Mae Cronfa Cadernid Economaidd Llywodraeth Cymru bellach ar agor.

Mae busnesau Yrr Mân tydfi angen cymorth ariannol yn ystod pandemig Coronavirus, yn cael eu hannog i wario eu cymhwysedd a gwneud cais cye gynted i phosib.

Caiswch drwy Buwsi Cymru  
<https://fundchecker.businesswales.gov.wales/>

The Welsh Government's Economic Resilience Fund is now open.

Anglesey businesses needing financial support, during the Coronavirus pandemic, are urged to check their eligibility and to apply as soon as possible.

Apply through Business Wales at:  
<https://fundchecker.businesswales.gov.wales/>



We established a crisis team to respond to the local economic pressures. This was a joint venture between the finance and economic development departments of the Council. Thanks to all the staff for responding and for your tireless work in serving the island.

The difficult decision that Anglesey was closed had to be made to protect our communities from the spread of the virus. I would like to thank everyone for supporting the decision and public protection officers and the police for responding in a timely manner if there were local concerns about non-compliance.



At the start of the crisis the Council, Medrwn Môn and Menter Môn came together to create community support. Over 800 volunteers came forward to support the communities of Anglesey. Thanks to all of them for protecting those in need in our society. Under the leadership of Menter Môn, the Neges scheme was set up to ensure nutritious meals for vulnerable people in our society. I would like to thank the Dylan's company and the staff of the Housing and Highways Departments for making sure the food was delivered to the doorstep.

At the start of the crisis, food parcels were being delivered to the homes of children who receive free school meals. I would like to thank the Council's youth service staff for arranging this. Direct payments were arranged for families eligible for free school meals once we received clarification of the medium term position.

**PRYDAU YSGOL AM DDIM**

O'r 27/04/2020 bydd gan rieni plant sy'n gymwys am brydau ysgol am ddim yr hawl i dderbyn taliad o £19.50 ar gyfer pob plentyn cymwys, drwy drosgwyddiad cyfrif banc.

Tyddi taliadau yn cael eu gwneud yn awtomatig ac yn ddiwyllt system parhauau osid ddiwyllt.

Er mwyn hawlio, cwblhewch y ffurflen ar-lein [www.yrysgol.gov.uk/prydau-ysgol-am-ddim-covid-19](http://www.yrysgol.gov.uk/prydau-ysgol-am-ddim-covid-19) neu ffonwch ein llinell gymorth ar 01248 752 292 sy'n agored rhwng 9-5 bob dydd.

Sylwch fod hysod adhafu'r Ffônau'n Iwan cyn 20/04/20i sicrhau taliadau.

**Ysgol**  
Am fwy o wybliadau, cyswrtwch â'r gwasanaeth ein ym 01248 733888.



### Thanks

A word that has been used a lot during my report, but one that it's impossible to use too much. The circumstances in the year from May 2019 to May 2020 have changed us all. As a Council we can be proud of our staff and our communities. Together we can make a difference and by pulling together we show the strength of our small island.





**ISLE OF ANGLESEY COUNTY COUNCIL**

|                           |  |
|---------------------------|--|
| <b>MEETING:</b>           | County Council   |
| <b>DATE:</b>              | 8 September 2020   |
| <b>TITLE:</b>             | Annual Report of the Chair of the Standards Committee  |
| <b>REPORT BY:</b>         | John R Jones, Chair of the Standards Committee & Independent Member of the Standards Committee   |
| <b>PURPOSE OF REPORT:</b> | To Report on the Activities of the Standards Committee in 2019/20 and to secure Council Approval for the Committee's Programme for 2020/2021           |
| <b>CONTACT OFFICER:</b>   | Lynn Ball, Director of Function (Council Business) / Monitoring Officer (ext 2568)<br><a href="mailto:lboxcs@ynysmon.gov.uk">lboxcs@ynysmon.gov.uk</a> |

**Introduction**

1. The Standards Committee is a statutory committee which comprises 9 members (2 county councillors, 5 independent members and 2 community council members). Details of the Committee and its membership is available [here](#).

2. **Independent Members:**

The term of four, of the five, independent members ended on 19<sup>th</sup> December 2019.

Following an open and competitive process, conducted by the Council's Standards Committee Selection Panel, during the Summer of 2019, four new independent members were appointed; their term started on 20<sup>th</sup> December 2019 and ends on 19<sup>th</sup> December 2027.

The term of the fifth independent member ends on 11<sup>th</sup> December 2025.

The Chair must be appointed from among the independent members. Mr Michael Wilson's term as independent member, and as Chair, ended after eight years in December 2019 and Mr John R Jones was appointed Chair at a Standards Committee meeting in February 2020.

3. **Town and Community Councillors:**

The two town and community council representatives were appointed in 2017. Their appointments will run for a period until the next local government election (May 2022) or until such time as the appointees are no longer community council members, whichever occurs first.

#### 4. County Councillors:

The two county council members are appointed annually by the Council. During 2019-2020, Councillor Trefor Lloyd Hughes' term on the Committee ended and Councillor John Arwel Roberts has been appointed, together with Councillor Dafydd Rhys Thomas.

5. The Standards Committee has (amongst others) the following roles and functions in relation to County Council members and town/community council members:-
- (a) promoting and maintaining high standards of conduct by members;
  - (b) assisting members to observe their Code of Conduct;
  - (c) advising, training, or arranging to train members;
  - (d) considering applications for dispensations;
  - (e) dealing with any referrals from the Public Services Ombudsman for Wales (PSOW), or the Adjudication Panel for Wales (effectively the national Standards Committee).

#### **Background**

6. At its meeting on 14 May 2019 the County Council resolved to approve the Standards Committee's Programme for 2019/2020. The original Programme identified proposed areas of work, timetable and resources. This document is reproduced at **ENCLOSURE A** to this Report and has been updated to include the work which has since been delivered against objectives originally set.
7. **ENCLOSURE B** to this Report contains the Standards Committee's Programme for 2020/2021, which is presented for the Council's endorsement.

#### **Chairman's Comments**

8. This is my first Chairman's report. I was appointed Chair in February 2020. I would like to take the opportunity to thank the Committee members for their confidence in appointing me to the role of Chair. I am committed to working as part of a team and to continue with the important work this Committee has done to date. I strongly believe that each member of the Committee has a valuable contribution to make and, by working as a team, with the support of officers and elected members, high standards of conduct will continue to be maintained in Anglesey. I am eager for the Committee to continue with its proactive approach and to work with elected and co-opted members of the County Council, and the members of the 40 town and community councils on the Island, to support the highest possible standards of conduct.
9. My appointment as Chair follows the end of Mr Michael Wilson's two terms as Chair, over eight years. I thank Mr Wilson for his commitment and leadership as Chair, and to the other three independent members (Mr Islwyn Jones (who was also Vice-Chair), Mrs Dilys Shaw and Ms Denise Harris-Edwards) whose terms ended during the year, for their valued contribution to the Standards Committee. I enjoyed working with them and I have learned from their experiences. The majority of the work completed during 2019-2020 was done under Mr Wilson's tenure as Chair and he has approved the contents of **Enclosure A** to this report, so far as it relates to matters up to December 2019.

10. With the departure of four independent members during the year, and Councillor Trefor Lloyd Hughes retirement from the Committee – and I also thank him for his contribution - this report presents a chance for me to welcome the newly appointed independent members. Dr Rhys Davies, Mrs Celyn Menai Edwards, Mrs Gill Murgatroyd and Mrs Sharon Warnes started their terms on 20<sup>th</sup> December 2019. Dr Rhys Davies has also been appointed Vice-Chair. Councillor John Arwel Roberts is welcomed as the new county council representative.
11. I would like to thank the Committee for its diligent contributions throughout the year, to acknowledge the support and advice of the officers who assist the Committee, and to thank members of the County Council for their readiness to engage with the work of the Committee.
12. This report would usually be presented at the Council's Annual Meeting in May 2020. However, events have been overtaken by the Coronavirus pandemic. Whilst this does not affect the information in relation to the stage reached against the 2019-2020 objectives, the work programme for 2020-2021 has been much reduced to reflect the fact that it has been necessary to adapt to the current circumstances. The work programme in **Enclosure B** includes details of the Committee's intended work (pre-pandemic) with information in relation to the work that will be given priority i.e. the statutory requirements. The annual report for 2020/2021 will, of course, include details up to the end of the year, but with only two-thirds of the year to go, I thought it timely for me to refer to the current conditions and their effects on the Committee's work to date. The Committee intends to prioritise its statutory obligations in order to reflect the Council's corporate priorities and the availability of resources and capacity.

### **12.1 Code of Conduct Referrals / Complaints**

The Standards Committee receives reports every quarter, and at its ordinary meetings, which provide statistical information about the number and status of Code of Conduct complaints filed with the PSOW against (a) IOACC's members and (b) town and community council members.

In the reports for April 2019 – March 2020,

- Two complaints have been referred to the PSOW against town and community council members. The PSOW decided not to investigate these complaints. The PSOW has also delivered his decision in relation to two complaints raised during the previous year, both in relation to town and community councils; in relation to one, he decided not to investigate and with the other, decided that, following investigation, there was no breach of the Code.
- One complaint was made to the PSOW against an IOACC's member but the PSOW decided not to investigate.
- No complaint has been referred by the PSOW to the Standards Committee.

The Committee continues to believe that self-regulation is working and that the reporting of a few complaints to the PSOW, when necessary and appropriate, is an indication of an organisation which appreciates the difference between the inevitable 'cut and thrust' of politics and potentially serious matters which may warrant independent investigation. The Committee believes the number and level of complaints to the PSOW to be an indicator of good corporate health; and it is noteworthy that this pattern has been continuing for a number of years.

Members are reminded that a voluntary and informal Local Resolution Protocol exists, which may resolve matters more quickly and effectively than a complaint to the PSOW, in circumstances where disputes may arise between members. I was afforded training on mediation in preparation for conducting meetings under the Local Resolution process in 2018. Arranging further mediation training, particularly to assist the newly appointed independent members of the Standards Committee, was intended as part of the Committee's work programme for 2020/2021; however, this is unlikely in the current circumstances. If it is not possible during this term, it will be one of the Committee's objectives in 2021/2022.

Whilst no sanction is imposed under the local resolution process, it does assist parties to reach an amicable solution to a dispute / relationship breakdown. A [report was presented to the Standards Committee meeting in March 2020](#) in relation to the current Local Resolution Protocol in this Council. The Committee has decided to expand the scope of scenarios to which the Local Resolution Protocol may be applied. A copy of the amended Local Resolution Protocol is attached as **Appendix C** to this report. The main changes are:

- the process may be used by County Councillors or, at the Chair's discretion, Town and Community Councillors;
- the process may be instigated by another member or a senior officer of the County Council (if the matter relates to a County Councillor) but the process may not be instigated by a third party;
- the Chair of the Standards Committee may delegate conduct of the process, including the mediation meetings, to any member of the Standards Committee.

The PSOW has previously made it clear that, while there is no legal requirement, he expects town and community councils to take all reasonable steps to resolve internal matters under their own local resolution arrangements. The Standards Committee strongly endorses this approach, where appropriate, and this is one area considered by the Standards Committee during its town and community council reviews. The amended Protocol also offers support to town and community councils in this regard (as noted above).

## **12.2 Meetings**

The Committee usually meets formally twice annually. The statutory minimum is an annual meeting. The meeting scheduled for September 2020 has been cancelled but it is likely that the Committee will formally meet before the end of 2020.

Of course, extraordinary meetings may be called to ensure compliance with any statutory obligations and informal meetings will continue as business demands. This has indeed been the case with an extraordinary meeting arranged in February 2020 with the sole purpose of appointing a Chair and Vice-Chair. There have also been informal meetings, training sessions and a meeting of the Dispensations Panel during the year (see 12.3 below).

## **12.3 Dispensations**

Dispensations may be granted by the Standards Committee, in certain circumstances defined by statute, where the member would otherwise be unable to participate in a debate or decision owing to a significant (prejudicial) personal interest. The Standards Committee may sometimes be in a position to overreach that prejudicial interest if

certain conditions are met. The Dispensations Regulations apply to County Council members and town and community council members.

In 2019/2020 the Standards Committee granted one dispensation following an application by a member of a community council. The report presented to the Standards Committee in July 2019 can be seen [\\*here\\*](#).

The Standards Committee has also reviewed and distributed the Briefing Note on Dispensations for both [County Council members](#) and [town and community councillors](#).

All County Council members and town and community council members are advised to consider whether an application for dispensation may be appropriate for them in some circumstances and are encouraged to contact the Monitoring Officer for advice.

## **12.4 Personal Development**

The Standards Committee recommends to all members that they continue to engage with the Training and Development Programme offered by the County Council and that they participate in their Personal Development Reviews with their Group Leaders. The need to renew and refresh skills and knowledge applies equally to longstanding members as it does to those more recently elected and, indeed, co-opted members as well.

The Standards Committee wishes to look at the training proposed for members as part of its work programme for 2020-2021 and the induction training proposed following the local government elections in May 2022.

## **12.5 Registers of Interests**

A review of the Registers of Interests of the elected and co-opted members of the County Council was conducted in Summer 2019. The report presented to the Committee in September 2019 can be seen [\\*here\\*](#).

The Committee was generally satisfied with the findings made and noted that there were clear improvements from the previous reviews undertaken. Members are to be praised for their commitment to Code of Conduct matters and for their efforts in ensuring compliance with the statutory requirements. It was noted that not all members have presented an annual report; it is not a statutory requirement but is considered best practice and members are encouraged to provide this information.

As a result of Wales Audit Office reports into the governance of two community councils in Anglesey, the Standards Committee conducted reviews at these councils during 2019-2020. Whilst this was not something anticipated when the Committee's work programme was prepared, the Committee considered it was appropriate and timely for them to offer assistance to these community councils in so far as Code of Conduct matters were concerned. These reviews were conducted in July and October 2019 and findings and recommendations were reported fully to the relevant community councils; the Standards Committee having specifically confirmed that these reports would not be published but would be shared with Wales Audit Office.

### **RECOMMENDATION: -**

1. To note the Programme delivered by the Standards Committee between April 2019 and May 2020 at **ENCLOSURE A**.

2. To endorse the Standards Committee's Work Programme for 2020/2021 outlined in **ENCLOSURE B**, accepting that the extent to which the work can be conducted may be dictated by factors such as council capacity, including that of its officers.
3. To endorse the Local Resolution Protocol as amended and in accordance with **ENCLOSURE C**.

## STANDARDS COMMITTEE WORK PROGRAMME – MAY 2019 TO APRIL 2020

|    |  | TIMETABLE  | RESOURCES  | STATUS AS AT YEAR END  |
|----|--|--|--|--|
| 1. | To conduct hearings into alleged breaches of the Members' Code of Conduct following a referral from the Public Services Ombudsman for Wales (PSOW) | <ul style="list-style-type: none"> <li>As and when referrals are made and in accordance with the performance indicator</li> </ul>    | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>No referrals to date</li> </ul>   |
| 2. | To conduct hearings into applications for Dispensations  | <ul style="list-style-type: none"> <li>As and when applications are made and in accordance with the performance indicator</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>Application for a dispensation was received by a Councillor from a community council with the hearing conducted on 18.07.2019. A dispensation was granted to the individual in the terms noted in the Minutes. Please see the <a href="#">link</a> to the application/hearing Minutes.</li> <li>Report prepared to the Standards Committee on all Dispensations at its meeting on 17<sup>th</sup> September 2019. See <a href="#">link</a> to the report.</li> <li>No report in March 2020 meeting as no dispensation applications received.</li> </ul> |
| 3. | To undertake an advisory role in connection with any matters arising under the Council's Local Resolution Protocol                                 | <ul style="list-style-type: none"> <li>As and when requested</li> </ul>  | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>Standards Committee Chair has conducted various meetings during the year –</li> <li>Local Resolution process</li> </ul>   |

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|    |  |   |  | <p>conducted between County Councillor and Chair with a satisfactory outcome.</p> <ul style="list-style-type: none"> <li>• Chair met with Councillor in relation to an issue raised in relation to the Register of Interest for one member. The matter was resolved following the meeting.</li> <li>• Contemplation of the LRP in relation to a complaint raised against a County Councillor. However the Chair and Vice Chair of the SC did not consider the matter to be suitable for LRP.</li> <li>• Chair met with Councillor in relation to a matter in the Town and Community Council. The matter did not proceed to mediation under the LRP process.</li> </ul> |
| 4. | To oversee training and development on the Members' Code of Conduct in accordance with paragraph 2.6 of the Code | <ul style="list-style-type: none"> <li>• Ongoing</li> </ul> | <ul style="list-style-type: none"> <li>• Monitoring Officer</li> </ul> | <p><u>TOWN AND COMMUNITY COUNCILS:-</u></p> <ul style="list-style-type: none"> <li>• Report on the Review of the Register of Interests in a sample of the Town and Community Councils (held in December 2018-February 2019) distributed to the Town and Community Councils on 16.04.2019 with a request for confirmation the same be included on the TCC's Agenda and copy Minutes forwarded to the Standards Committee. See</li> </ul>  |



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|  |  |  | <p><a href="#">report</a> presented to the Standards Committee at its meeting in September 2019 in relation to the responses received.</p> <ul style="list-style-type: none"> <li>• Letters sent to 10 Town/Community Councils to advise them, as a result of their co-operation in responding to Standards Committee correspondence, they will not be subject to reviews in the next round (2020).</li> <li>• Briefing Note on Dispensation Applications by Town and Community Councillors updated. To be shared with Clerks of the Town and Community Councils as part of a bi-annual Newsletter to the TCCs.</li> <li>• Methodology Note on the Review of Register of Interests for Members of Town and Community Councils updated. This is to be distributed prior to any future reviews to be conducted by the Standards Committee.</li> </ul> <p><b><u>COUNTY COUNCIL MEMBERS:-</u></b></p> <ul style="list-style-type: none"> <li>• Methodology Note on the Review of Register of Interests for Members updated and distributed to elected members on 01.05.2019 and co-opted</li> </ul> |
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|  |  |  |  | <p>members on 28.05.2019.</p> <ul style="list-style-type: none"><li>• Report on the Review of the Register of Interests for members (held in June 2019) distributed to the elected and co-opted members on 05/11/2019.</li><li>• Programme presented / developments discussed by the Human Resources Development Manager at the Standards Committee meetings in September 2019 and March 2020.</li><li>• Training programme has been published to members.</li><li>• Member Development Charter – the Council has been awarded this award for a period of three years from July 2019</li><li>• Briefing Note on Dispensation Applications by Elected Members of the County Council updated. To be shared with members as part of a bi-annual Newsletter to IOACC members.</li><li>• Correspondence has been entered into between the Standards Committee and the PSOW office in relation to certain matters included in the PSOW's Code of Conduct Casebooks. Reports on the responses to the queries raised by the Standards Committees have been presented</li></ul> |
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|    |   |  |  | to the Committee (as confidential agenda items) at the 17.09.2019 and 11.03.2020 Standards Committee meetings.   |
| 5. | To review the three registers of Members' Interests followed by any necessary advice and guidance   | <ul style="list-style-type: none"> <li>• By the end of April 2020</li> </ul> | <ul style="list-style-type: none"> <li>• Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>• Review conducted in June 2019 utilising the Methodology Advice Note (distributed 01.05.2019 / 28.05.2019 – mentioned above).</li> <li>• General findings letter sent to all elected and co-opted members on 05/11/2019. (<b>ENCLOSURE A1</b>)</li> </ul>  |
| 6. | To undertake the role of consultee on any proposed change to the Constitution relevant to the role of the Standards Committee and especially where such proposed changes might disproportionately prejudice the rights and interests of any minority group. | <ul style="list-style-type: none"> <li>• As and when required</li> </ul>     | <ul style="list-style-type: none"> <li>• Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>• Constitution and Terms of Reference for the Standards Committee considered by way of a <a href="#">report</a> at the meeting on 17.09.2019.</li> </ul>  |
| 7. | To undertake the role of consultee on any proposed legislative / policy changes etc relevant to the Standards Committee's area of responsibility.   | <ul style="list-style-type: none"> <li>• As and when required</li> </ul>     | <ul style="list-style-type: none"> <li>• Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>• Standards Committee Selection Panel has appointed four new independent members to the Standards Committee. See <a href="#">report</a> as presented to the County Council.</li> <li>• A review of whether town and community councils have included training arrangements for clerks and members *</li> <li>• The Standards Committee reviewed Annual Reports by County Council members and</li> </ul> |

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|    |   |  |  | <p>made direct contact with members, as appropriate, to encourage the completion of such reports.</p> <p>* As part of the Standards Committee's ongoing review of corporate governance arrangements in town and community councils insofar as they relate to the remit of the Standards Committee.</p>   |
| 8. | To make any recommendations to the Council for improvements in those areas of work which relate to the Standards Committee.                   | <ul style="list-style-type: none"> <li>As and when required</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>Recommendation made by the Standards Committee following its Review process in relation to ICT matters / website - to enable co-opted members to add information from a drop-down list for 'Declarations of Interest', 'Gifts and Hospitality' and 'training' [currently, only elected Members' names are included on the online 'drop-down' list]. The same is subject to a £5,000 fee.</li> </ul> |
| 9. | The Chair of the Standards Committee to present an annual report to the Council outlining the work of the committee during the previous year. | <ul style="list-style-type: none"> <li>May 2020</li> </ul>             | <ul style="list-style-type: none"> <li>Chair</li> </ul>              | <ul style="list-style-type: none"> <li>Chair from May 2019 to December 2020 has approved his "part" of the report/work programme. Mr Michael Wilson confirmed he would be willing to co-present the report with the new Chair, should this be required. In the current circumstances, Mr Wilson has not</li> </ul>   |

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|     |   |   |  | <p>been asked to attend.</p> <ul style="list-style-type: none"> <li>• New Chair appointed January 2020. Mr John R Jones is presenting this report to full Council.</li> </ul>  |
| 10. | For the Chair or other members of the Standards Committee to attend any meetings of the County Council or its Committees.   | <ul style="list-style-type: none"> <li>• As and when required</li> </ul>              | <ul style="list-style-type: none"> <li>• Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>• None attended</li> </ul>  |
| 11. | To ensure that the knowledge and skills of the Standards Committee are developed and updated by:-   |   | <ul style="list-style-type: none"> <li>• Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>• Town and community council members of the Standards Committee undertook a review of the registers of the independent members of the Standards Committee in June 2019. Individual letters of advice were then sent to each member of the Standards Committee on 19.07.2019.</li> <li>• Methodology Advice Note for conducting reviews of Members' Registers of Interests updated. This was shared with members on 1/5/2019 and co-opted members on 28/5/2019.</li> <li>• Methodology Advice Note for conducting reviews in the town and community councils updated.</li> </ul> |
|     | <ul style="list-style-type: none"> <li>- regular reviews of decided cases from <ul style="list-style-type: none"> <li>o other relevant authorities</li> <li>o Adjudication Panel for Wales</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Ordinary meeting of the Committee</li> </ul> |  | <ul style="list-style-type: none"> <li>• Delivered at the meetings on 17.09.2019 and 11.03.2019 to the Standards Committee.</li> <li>• The first was published to County</li> </ul>  |

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|  |  |  |  | <p>Council members on 4/10/2019. The second is to be shared with members as part of a bi-annual Newsletter to IOACC members.</p> <ul style="list-style-type: none"> <li>• The first was published to Town and Community Councils on 4/10/2019. The second is to be shared with members as part of a bi-annual Newsletter to the TCCs.</li> </ul>                      |
|  | <ul style="list-style-type: none"> <li>- to participate and contribute on the North Wales Standards Committee Forum</li> </ul>                                     | <ul style="list-style-type: none"> <li>• Twice annually</li> </ul>   |  | <ul style="list-style-type: none"> <li>• 24.06.2019 – Forum Meeting held by Flintshire County Council. Attended by the Chair and Vice-Chair of the Standards Committee. Please see <a href="#">link</a> to the report.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>- to participate and contribute to the All Wales Standards Committee Conference.</li> </ul>                                 | <ul style="list-style-type: none"> <li>• One every 2 years – last held 14.09.2018, therefore due 2020</li> </ul> |  | <ul style="list-style-type: none"> <li>• No Conference arranged to date.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>- To be reviewed under a performance appraisal review scheme similar to that used by the County Council members.</li> </ul> | <ul style="list-style-type: none"> <li>• One every 2 years – due 2020</li> </ul>                                 |  | <ul style="list-style-type: none"> <li>• No PDR process relevant to the co-opted members of the Standards Committee. The next PDR are due in 2020 when the term of the four new independent members will have begun.</li> <li>• Owing to constraints with the electronic system, as with all County Council members (elected and co-opted), the members of</li> </ul> |

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|     |   |   |  | the Standards Committee are advised to ensure that they update their own training records.  |
| 12. | To monitor progress on complaints against members filed with the PSOW and to undertake an annual analysis of complaints data in relation to the County Council and town and community councils in order to identify any trends or issues of concern/training needs. | <ul style="list-style-type: none"> <li>Quarterly</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>Report to the Standards Committee on <a href="#">17.09.2019</a> and <a href="#">11.03.2020</a></li> <li>Complaints matrix is circulated to Standards Committee members quarterly in April (January-March), July (April-June), October (July-September) and January (October-December). It details the complaints received and the progress made regarding those complaints being investigated by the PSOW in relation to (a) County Council members and (b) town and community council members.</li> <li>Report by the PSOW and summary of the Casebook of Code of Conduct complaints received by the PSOW for <a href="#">February</a> and <a href="#">May</a> 2019 reported to the Standards Committee on 17.09.2018. Report circulated to County Council members on 04.10.2019 and town and community councils on 04.10.2019</li> <li>Report by the PSOW and summary of the Casebook of Code of Conduct complaints</li> </ul> |

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|     |   |   |  | received by the PSOW for <a href="#">September</a> and <a href="#">October</a> 2019 reported to the Standards Committee on 11.03.2020. Report to be included in the bi-annual Newsletter sent to County Council members and members of the TCCs respectively.  |
| 13. | To maintain contact with Group Leaders to discuss any issues of concern.  | <ul style="list-style-type: none"> <li>As and when required</li> </ul>  | <ul style="list-style-type: none"> <li>Chair</li> </ul>              | <ul style="list-style-type: none"> <li>05.09.2019</li> </ul>   |
| 14. | To review performance indicators for the Standards Committee and to report thereon on a default basis   | <ul style="list-style-type: none"> <li>Before April 2020</li> <li>Quarterly</li> </ul>  | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>Reported quarterly</li> </ul>   |
| 15. | To carry out work in relation to the training and induction of 4 new independent members to the Standards Committee, once appointed. The aim would be for those members to attend the last formal meeting of the Standards Committee held in the current members' term in September 2019. | <ul style="list-style-type: none"> <li>Four vacancies filled by 19 December 2019 when the term of four of the five current independent members ends.</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> | <ul style="list-style-type: none"> <li>The Standards Committee Selection Panel presented a report to Council on 10<sup>th</sup> September 2019 recommending the name of four persons to be appointed as independent members of the Standards Committee. The appointments were confirmed.</li> <li>The four new independent members were invited to attend (as observers) the Standards Committee meeting on 17<sup>th</sup> September 2019. Three attended.</li> <li>A training / induction programme was developed (with input from the new members) but it has only</li> </ul> |



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|  |  |  |  | been partially completed due to the coronavirus outbreak. The training will be included on next year's work programme too. |
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**From:** "Mared W. Yaxley" <[MaredYaxley@ynysmon.gov.uk](mailto:MaredYaxley@ynysmon.gov.uk)>  
**Date:** Tuesday, 5 November 2019 at 12:06:18  
**To:** "Aelodau Members" <[AelodauGW6@anglesey.gov.uk](mailto:AelodauGW6@anglesey.gov.uk)>, "Islwyn Jones" <[IslwynJones@ynysmon.gov.uk](mailto:IslwynJones@ynysmon.gov.uk)>, "Denise-Harris Edwards" <[Denise-HarrisEdwards@ynysmon.gov.uk](mailto:Denise-HarrisEdwards@ynysmon.gov.uk)>, "Dilys Shaw" <[DilysShaw@ynysmon.gov.uk](mailto:DilysShaw@ynysmon.gov.uk)>, "John R. Jones" <[JohnJones@ynysmon.gov.uk](mailto:JohnJones@ynysmon.gov.uk)>, "Keith R. Roberts" <[KeithRoberts@ynysmon.gov.uk](mailto:KeithRoberts@ynysmon.gov.uk)>, "Iorwerth Roberts" <[IorwerthRoberts2@ynysmon.gov.uk](mailto:IorwerthRoberts2@ynysmon.gov.uk)>, "anestgrayfrazer@aol.com" <[anestgrayfrazer@aol.com](mailto:anestgrayfrazer@aol.com)>, "Dyfed W. Jones" <[DyfedJones@ynysmon.gov.uk](mailto:DyfedJones@ynysmon.gov.uk)>, "Llio Johnson" <[LlioJohnson@ynysmon.gov.uk](mailto:LlioJohnson@ynysmon.gov.uk)>, "Dilwyn Evans" <[DilwynEvans@ynysmon.gov.uk](mailto:DilwynEvans@ynysmon.gov.uk)>, "John Mendoza" <[JohnMendoza@ynysmon.gov.uk](mailto:JohnMendoza@ynysmon.gov.uk)>, "dafydd@mentermon.com" <[dafydd@mentermon.com](mailto:dafydd@mentermon.com)>  
**Cc:** "Michael Wilson" <[MichaelWilson@ynysmon.gov.uk](mailto:MichaelWilson@ynysmon.gov.uk)>, "Lynn Ball" <[LynnBall@ynysmon.gov.uk](mailto:LynnBall@ynysmon.gov.uk)>, "Medwen Jones" <[MedwenJones@ynysmon.gov.uk](mailto:MedwenJones@ynysmon.gov.uk)>  
**Subject:** Pwyllgor Safonau - Adolygiadau o Gofrestrau Diddordebau Aelodau / Standards Committee - Review of the Registers of Interests for Members

### At sylw aelodau etholedig a chyfetholedig:

Annwyl Aelod,

Fel y gwyddoch, fel rhan o'i raglen waith flynyddol, cynhaliodd y Pwyllgor Safonau adolygiad o'r tair Cofrestr mewn perthynas â datganiadau o ddi-ddordebau gan Aelodau. Mae'r Pwyllgor Safonau'n credu mai ei rôl yw cynorthwyo Aelodau i gydymffurfio â'u dyletswyddau ac mae'n bleser gennyf ddweud bod yr adolygiad diweddaraf hwn yn galonogol ac yn sicr yn welliant o gymharu â'r blynyddoedd blaenorol ond bod lle i wella ymhellach yn achos rhai Aelodau.

Diolch am eich cefnogaeth a'ch cymorth gyda'r adolygiad. Roedd yr wybodaeth a adolygwyd yn cynnwys: -

- Y Gofrestr Sefydlog
- Datganiadau o ddi-ddordeb a wnaed mewn cyfarfodydd
- Cofrestr Rhoddion a Lletygarwch
- Adroddiadau Blynyddol yr Aelodau
- Rhaglenni a Chofnodion Cyfarfodydd
- Hyfforddiant a gynigir gan y Cyngor a Chofnod Hyfforddi pob aelod
- Adolygiadau Datblygiad Personol (dim manylion – dim ond fod hyn wedi'i gynnig)
- Bywgraffiadau fel y maent yn ymddangos ar wefan y Cyngor
- Rhestr Cyrff Allanol

Yn dilyn Adolygiad eleni, mae'r Pwyllgor yn gofyn i chi roi sylw dyladwy i'w gasgliadau cyffredinol / argymhellion fel a ganlyn: -

#### **Y Gofrestr Sefydlog**

Cafwyd enghreifftiau yn ddiweddar o gwynion yn cael eu cyflwyno i Ombwdsmon Gwasanaethau Cyhoeddus Cymru (OGCC) oherwydd nad oes digon o wybodaeth yn cael ei chynnwys ar Gofrestr Sefydlog rhai unigolion. O'r herwydd, anogir Aelodau i gymryd y materion isod yn benodol i ystyriaeth:

1. Sicrhau bod cyfeiriadau a daliadau tir wedi'u disgrifio'n glir ac yn gyflawn. Mae disgwyl fod tir yn cael ei ddisgrifio yn ddigonol i berson lleol ei adnabod. Dylid cynnwys cyfeiriad post neu ddisgrifiad o'r tir. Os ydi Aelodau eisiau cynnwys rhif daliad / teitl y tir efo'r Gofrestr Tir yn ychwanegol yna byddai hyn yn dderbyniol ond ni ddylai fod yr unig ffordd i ddisgrifio'r eiddo neu'r tir. Yn ychwanegol at hyn, os nad oes gan Aelod ddi-ddordeb mewn unrhyw dir, dylent nodi 'Dim' neu 'Dim Diddordebau' ar y gofrestr.

2. Mae hefyd yn bwysig bod Aelodau'n datgelu eu haelodaeth o gyrrff cyhoeddus, elusennau a chymdeithasau cyhoeddus eraill. Dylai aelodau nodi enw a chyfeiriad llawn y sefydliadau / elusennau y maent yn aelodau ohonynt. Dylai'r Aelodau hefyd adolygu eu Cofrestrau i sicio eu bod wedi cynnwys manylion am eu statws yn y sefydliadau hynny.
3. Ble mae Aelodau'n datgan eu bod yn llywodraethwyr ysgol, dylid nodi enw'r ysgol ar y Gofrestr ac ym mha gapasiti y maent yn gwasanaethu, h.y. wedi eu penodi gan y Cyngor, rhiant-llywodraethwr ac ati. Y rheswm am hynny yw fod hyn yn effeithio ar hawl Aelodau i siarad/pleidleisio ar rai materion oherwydd efallai y bydd modd/na fydd modd dibynnu ar y caniatâd sydd wedi ei gynnwys yn y Côd Ymddygiad.
4. Ble mae Aelodau wedi eu hethol neu eu cyfethol ar Gyngor Tref/Cymuned arall, dylid cynnwys aelodaeth y Cyngor hwn yn y Gofrestr Sefydlog.
5. Atgoffir Aelodau o'r angen statudol i ddiweddarau'r Gofrestr Sefydlog o fewn 28 diwrnod i unrhyw newid.
6. Atgoffir Aelodau hefyd o'r angen statudol i ddiweddarau'r Gofrestr Sefydlog yn dilyn pob etholiad, hyd yn oed os nad yw'r wybodaeth yn newid.
7. Er nad yw'n ofyniad statudol, anogir Aelodau i adolygu eu Cofrestr Sefydlog yn flynyddol hyd yn oed os nad oes unrhyw newidiadau er mwyn diweddarau'r dyddiad (sy'n ymddangos ar-lein) ac sy'n dangos bod y Gofrestr yn cael ei hadolygu gan yr Aelod.

#### **Datgan diddordebau mewn cyfarfodydd**

1. Pan fydd Aelodau'n ticio'r blwch i ddatgan diddordeb, rhaid iddynt hefyd nodi manylion y diddordeb hwnnw. Rhaid i natur y diddordeb ac a yw'r diddordeb hwnnw yn ddiddordeb personol neu'n un sy'n rhagfarnu fod yn amlwg ar y ffurflen.
2. Mae angen mwy o eglurder mewn perthynas â'r wybodaeth a ddarperir gan yr Aelodau ynghylch natur y diddordeb a'r modd y mae'n ymwneud â'r eitem ar yr agenda.
3. Ni ddylai Aelodau ddefnyddio byrfoddau sefydliadau ac ati ar y ffurflenni datgan na chymryd yn ganiataol bod gan y sawl sy'n ei darllen wybodaeth gefndirol am y diddordeb sy'n cael ei datgan.
4. Anogir Aelodau i lenwi'r ffurflenni'n gyflawn gan ateb pob cwestiwn yn y drefn gywir.
5. Os yw Aelodau'n ansicr ynghylch a oes ganddynt ddiddordeb y mae angen ei ddatgan mewn cyfarfodydd, dylent ofyn am gyngor.

#### **Cofrestr Rhoddion a Lletygarwch**

1. Un datganiad a nodwyd mewn perthynas â rhoddion a lletygarwch.
2. Gwahoddir Aelodau i ail-ymgyfarwyddo eu hunain â'r [Protocol Rhoddion a Lletygarwch](#) er mwyn sicrhau eu bod yn gwybod pryd i'w datgan.

#### **Adroddiadau Blynyddol**

1. Nid yw'r holl Adroddiadau Blynyddol yn ymddangos ar y wefan ac mae'r Pwyllgor Safonau'n gwneud ymholiadau ynghylch hyn.
2. Mae dau o'r 30 Aelodau wedi penderfynu peidio â chyhoeddi Adroddiadau Blynyddol. Er nad oes unrhyw ofyniad statudol ar Aelodau i gynhyrchu Adroddiadau Blynyddol, mae'r Pwyllgor Safonau o'r farn bod hyn yn arfer dda ac anogir Aelodau i ddarparu'r wybodaeth hon.

#### **Hyfforddiant**

1. Wrth gynnal yr adolygiad hwn, rhoes y Pwyllgor Safonau ystyriaeth i'r cofnod hyfforddiant sydd ar gael ar-lein (mae pob Aelod yn bersonol gyfrifol am eu diweddarau) a rhestr o bresenoldeb aelodau mewn digwyddiadau hyfforddiant a drefnwyd gan yr Adain Adnoddau Dynol. Mae'r Pwyllgor Safonau'n pryderu fod Aelodau yn gwneud cam â nhw eu hunain oherwydd ymddengys eu bod yn cofnodi llai o sesiynau hyfforddiant ar-lein nag y maent wedi eu mynychu mewn gwirionedd.

2. Ar y llaw arall, ystyriwyd bod nifer y digwyddiadau hyfforddiant a fynychwyd gan rai Aelodau'n isel (fel yr oedd eu presenoldeb mewn cyfarfodydd). Codwyd y mater hwn gyda'r Arweinyddion Grwpiau. Anogir Aelodau i fynychu hyfforddiant a chyfarfodydd yn unol â'r ceisiadau y maent yn eu derbyn.
3. Anogir Aelodau i gwblhau eu cofnod hyfforddiant ar-lein ar ôl bob digwyddiad hyfforddiant. Mae hyfforddiant yn cynnwys digwyddiadau yn y dosbarth, e-ddysgu a sesiynau briffio.
4. Mae'r Pwyllgor Safonau'n ceisio trefnu hyfforddiant pellach i Aelodau ynghylch sut i ddiweddarau eu cofnodiadau hyfforddiant.
5. Mae ymholiadau'n mynd rhagddynt hefyd ynghylch cofnodi hyfforddiant aelodau cyfetholedig oherwydd nid yw hyn yn bosibl ar hyn o bryd. Ym marn y Pwyllgor Safonau, mae hyn yn wendid yn y system y dylid ei gywiro cyn gynted ag sy'n bosibl er mwyn darparu sicrwydd a thryloywder.

### **Adolygiadau Datblygiad Personol**

1. Nid yw ADP yn orfodol ac maent y tu allan i sgôp uniongyrchol y pwyllgor Safonau. Fodd bynnag, mae Arweinyddion Grwpiau wedi cael eu hannog i gynnig yr opsiwn o ADP i Aelodau ac anogir Aelodau i fynychu pan gânt wahoddiad.
2. Mae ADP yn declynnau defnyddiol i ddatblygu cynllun anghenion hyfforddiant ar gyfer pob Aelod a bwydo i mewn i'r hyfforddiant a gynigir i Aelodau yn gyffredinol er mwyn sicrhau bod hyfforddiant yn benodol, yn ddefnyddiol, wedi'i dargedau ac yn rhoi gwerth am arian.

### **Bywgraffiad**

Fel y gwyddoch, mae gan bob Aelod adran bywgraffiad ar wefan y Cyngor. Nid yw'r wybodaeth yn y bywgraffiad bob amser yn cyfateb i'r wybodaeth sydd wedi'i chynnwys yn y Gofrestr Sefydlog ar gyfer pob Aelod. Anogir Aelodau i adolygu eu bywgraffiadau a'u croes-gyfeirio gyda'u Cofrestrau Sefydlog a'r gofrestr o gyrff allanol a ddelir gan y Cyngor.

### **Aelodaeth a Phresenoldeb ar Gyrrff Allanol**

Gofynnwyd i Arweinyddion grwpiau ailystyried y cyfrifoldeb a roddir ar rai Aelodau unigol mewn perthynas â chyrrff allanol oherwydd mae'r Pwyllgor Safonau yn pryderu fod baich gwaith rhai Aelodau'n anghymesur (hyd yn oed ar ôl diystyru'r cyflogau uwch a delir i rai aelodau). Er mai mater i'r Cyngor yw hwn, mae'r Pwyllgor Safonau o'r farn y dylai'r Cyngor adolygu ei aelodaeth ar y cyrrff allanol y mae ymrwymiad arno i anfon cynrychiolwyr iddynt. Dylai disgwyliadau'r Cyngor o'i Aelodau fod yn realistig.

### **Aral**

Mae nifer o Ganiatadau Arbennig wedi cael eu rhoddi i Aelodau'n ddiweddar. Mae'r Pwyllgor Safonau'n ymholi ynghylch a fyddai modd creu dolen i'r holl Ganiatadau Arbennig, efallai o dudalen bywgraffiad pob Aelod, neu o fewn eu hadroddiadau blynyddol.

Mae'r canfyddiadau hyn yn nodi casgliadau cyffredinol yr adolygiad. Mae rhai Aelodau unigol wedi derbyn negeseuon e-bost personol gan y Pwyllgor Safonau gydag argymhellion ar gyfer adolygu / diweddarau / esbonio peth o'r wybodaeth a gyhoeddwyd. Lle ystyriwyd bod hynny'n angenrheidiol, gofynnwyd i rai Aelodau gyfarfod â mi. Yn y llythyrau, rydym wedi gofyn am ymatebion. Lle na dderbyniwyd ymatebion, cofiwch y byddwn yn codi'r mater gyda'ch Arweinyddion Grwp.

Mae'r Pwyllgor yn gwerthfawrogi eich bod chi i gyd yn brysur iawn ac yn ymwybodol mai dim ond un o nifer o dasgau y mae'n rhaid i chi fynd i'r afael â nhw yw hon. Fodd bynnag, gobeithiwn y bydd yr argymhellion uchod yn cynorthwyo i arbed amser i'r Aelodau oherwydd bydd gwella safon y ffurflenni, gobeithio, yn osgoi beth allai fod yn gwynion di-sail sy'n draul ar amser pawb. Fel y gwelsom, mae diffyg eglurder mewn achosion diweddar wedi arwain at gwynion/heriau oherwydd nad yw'r Ffurflenni Datgan Diddordeb wedi cael ei cwblhau'n gyflawn/yn gywir.

Cofion,  
Mike Wilson  
Cadeirydd y Pwyllgorau Safonau  
Cyngor Sir Ynys Môn

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## **FAO elected and co-opted members**

Dear Member,

As you are aware, as part of its annual work programme, the Standards Committee conducted a review of the three Registers of Members' declarations of interests. The Standards Committee believes its role is to assist Members to comply with their duties, and I am pleased to report that this latest review was encouraging and certainly an improvement on previous years, but still with room for further improvement by a few Members.

Thank you for your support and assistance with the Review. The information reviewed included:-

- The Standing Register of Interests
- Declarations of Interests in meetings
- The Gifts & Hospitality Register
- Members' Annual Reports
- Agenda and Minutes of Meetings
- Training offered by the Council and the Training Record of each Member
- Personal Development Reviews (no detail – only that it has been offered)
- Biography as included on the Council's website
- Outside Bodies list.

Following this year's Review, the Standards Committee asks that you have due regard to its general findings / recommendations, which are as follows:-

### **The Standing Register**

There have been examples recently of complaints being submitted to the Public Services Ombudsman for Wales (PSOW) as a result of a lack of information being included on the Standing Register of some individuals. Members are therefore encouraged to take note of the following matters in particular:

1. To ensure that addresses and land holdings are clearly and fully described. There is a requirement that land is sufficiently described so that it is identifiable by a local person. A postal address or description should be included. If Members also want to include a holding number / title number with the Land Registry, this is acceptable but it should not be the only way to describe property or land. Additionally, if a Member has no interest in land they should enter 'None' or 'No Interest' on the Register.
2. It is also important that Members disclose their membership of other public bodies, charities and associations. Members should provide the full name and address of organisations/charities of which they are members. Members should review their Registers to check that they have included details of their role/status within any such organisations.
3. Where Members state they are school governors, the Register should identify the school and also in what capacity i.e. appointed by the Council / parent governor etc. The reason for this is because this affects Members' right to speak/vote on some

matters as the inbuilt dispensation in the Code of Conduct may/may not be relied upon.

4. Where Members are elected or co-opted onto another Town/Community Council, membership of that Council should be included in the Standing register.
5. Members are reminded of the statutory requirement to update the Standing Register within 28 days of any changes occurring.
6. Members are also reminded of the statutory requirement to update the Standing Register following every election, even where the information is unchanged.
7. Whilst not a statutory requirement, Members are encouraged to review their Standing Register annually even if there are no changes so as to refresh the date (which appears online) and which demonstrates that the Register is being reviewed by the Member.

### **Declaration of Interests in Meetings**

1. When Members are ticking the box to declare an interest they must also provide details of that interest. Both the nature of the interest, and whether that interest is a personal or a prejudicial interest must be evident on the form.
2. Greater clarity is required in respect of the information supplied by Members regarding the nature of the interest and how it relates to the item on the agenda.
3. Members should not use abbreviations of organisations etc. on the declaration forms, nor assume the reader has any background information in relation to the interest being declared.
4. Members are encouraged to fully complete the forms by answering each relevant question in their correct order.
5. If Members are unsure as to whether they have a declarable interest in meetings they should seek advice.

### **Register of Gifts and Hospitality**

1. One declaration was noted in respect of gifts and hospitality.
2. Members are invited to re-familiarise themselves with the [Protocol of Gifts and Hospitality](#) to ensure they are aware when declarations may be required.

### **Annual Reports**

1. Not all Annual Reports appear on the website and the Standards Committee is making enquiries in this regard.
2. Two of the thirty Members have decided not to publish Annual Reports. Whilst there is no statutory requirement for Members to produce Annual Reports, it is considered best practice by the Standards Committee and Members are encouraged to provide this information.

### **Training**

1. In conducting this review, the Standards Committee considered the training record available online (which each Member is personally responsible for updating) and a list of Member attendance at training events provided by the Human Resources Section. The Standards Committee is concerned that Members are doing themselves a dis-service as Members seem to be recording fewer training sessions online than they have actually attended.
2. On the other hand, the number of training events attended by some Members was considered to be low (as was attendance at meetings). This has been raised with Group Leaders. Members are encouraged to attend training and meetings in accordance with the requests made.
3. Members are encouraged to complete their online training record after every training event. Training includes classroom events, e-learning and briefing sessions.

4. The Standards Committee is trying to arrange further training for Members on how to update their training records.
5. Enquiries are also ongoing in relation to the recording of training by co-opted members as this is not currently possible online. The Standards Committee considers this to be a limitation in the system which should be ratified as soon as possible so as to provide assurance and transparency.

### **Personal Development Reviews**

1. PDRs are not compulsory and they are outside the direct scope of the Standards Committee. However, Group Leaders have been encouraged to ensure the option of a PDR is offered to Members and Members are encouraged to attend when invited.
2. PDRs are a useful tool for developing a training needs plan for each Member and feeding into the training offered to Members generally so as to ensure training is specific, useful, targeted and good value for money.

### **Biography**

As you know, each Member has a biography section on the Council's website. The information included in the biography does not always match the information contained within the Standing Register for each Member. Members are encouraged to review their biographies and cross-reference with their Standing Register and the register of outside bodies held by the Council.

### **Membership and Attendance on Outside Bodies**

Group Leaders have been asked to reconsider the responsibility on outside bodies placed on various individual Members, as the Standards Committee is concerned that the workload of some Members is disproportionate (even disregarding senior salaries). Whilst this is a matter for Council, the Standards Committee considers that the Council should review its membership on outside bodies to which it is committed to sending Members. The Council's expectations of its Member should be realistic.

### **Miscellaneous**

A number of Dispensations have been granted recently to Members. The Standards Committee is making enquiries as to whether it would be possible for a link to all Dispensations to be created, perhaps from each Member's biography page, or within their annual report.

These findings set out the general conclusions of the Review. Some Members have received personal emails from the Standards Committee with recommendations for review / updating / explaining some of the information which has been published. Where it was considered necessary, some Members have been requested to meet with me, or letters have been sent for responses. Where responses have not been received, please be aware that we will be raising the matter with Group Leaders.

The Committee appreciates that you are all very busy and is aware that this task is only one of a number that you have to address. However, we hope that the above recommendations will assist in saving time for Members as improving the standard of the forms will hopefully avoid, what may be potentially groundless and time consuming complaints. As we have seen, a lack of clarity in recent cases has resulted in complaints/challenges being issued because Declaration of Interest Forms have not been fully/accurately completed.

Regards,

Mike Wilson

Cadeirydd y Pwyllgor Safonau / Chair of the Standards Committee.

Cyngor Sir Ynys Môn / The Isle of Anglesey County Council

Document: CC-019486-MY/522928





## STANDARDS COMMITTEE WORK PROGRAMME – MAY 2020 TO APRIL 2021

|    |  | TIMETABLE  | RESOURCES  | STATUS AS AT YEAR END |
|----|--|--|--|-----------------------|
| 1. | To conduct hearings into alleged breaches of the Members' Code of Conduct following a referral from the Public Services Ombudsman for Wales (PSOW) | <ul style="list-style-type: none"> <li>As and when referrals are made and in accordance with the performance indicator</li> </ul>    | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |                       |
| 2. | To conduct hearings into applications for Dispensations  | <ul style="list-style-type: none"> <li>As and when applications are made and in accordance with the performance indicator</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |                       |
| 3. | To undertake an advisory role in connection with any matters arising under the Council's Local Resolution Protocol                                 | <ul style="list-style-type: none"> <li>As and when requested</li> </ul>  | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |                       |
| 4. | To oversee training and development on the Members' Code of Conduct in accordance with paragraph 2.6 of the Code                                   | <ul style="list-style-type: none"> <li>Ongoing</li> </ul>  | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |                       |
| 5. | To review a sample of the Register of Members' Interest as retained by town and community councils followed by any necessary advice and guidance   | <ul style="list-style-type: none"> <li>Depending on resources – would usually be scheduled by the end of</li> </ul>                  | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |                       |

|     |   |  |  |  |
|-----|---|--|--|--|
|     |   | April 2021   |  |  |
| 6.  | To undertake the role of consultee on any proposed change to the Constitution relevant to the role of the Standards Committee and especially where such proposed changes might disproportionately prejudice the rights and interests of any minority group. | <ul style="list-style-type: none"> <li>As and when required</li> </ul>   | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |  |
| 7.  | To undertake the role of consultee on any proposed legislative / policy changes etc relevant to the Standards Committee's area of responsibility.   | <ul style="list-style-type: none"> <li>As and when required</li> </ul>   | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |  |
| 8.  | To make any recommendations to the Council for improvements in those areas of work which relate to the Standards Committee.   | <ul style="list-style-type: none"> <li>As and when required</li> </ul>   | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |  |
| 9.  | The Chair of the Standards Committee to present an annual report to the Council outlining the work of the committee during the previous year.   | <ul style="list-style-type: none"> <li>May 2021 (or when the Annual Meeting of the Council is held)</li> </ul> | <ul style="list-style-type: none"> <li>Chair</li> </ul>              |  |
| 10. | For the Chair or other members of the Standards Committee to attend any meetings of the County Council or its Committees.   | <ul style="list-style-type: none"> <li>As and when required</li> </ul>   | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |  |
| 11. | To ensure that the knowledge and skills of the Standards Committee are developed and updated by:-   |  | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |  |
|     | <ul style="list-style-type: none"> <li>regular reviews of decided cases from <ul style="list-style-type: none"> <li>other relevant authorities</li> <li>Adjudication Panel for Wales</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>Ordinary meeting of the Committee</li> </ul>                            |  |  |

|     |   |   |  |  |
|-----|---|---|--|--|
|     | - to participate and contribute on the North Wales Standards Committee Forum  | <ul style="list-style-type: none"> <li>Depending on resources – would usually be scheduled twice annually</li> </ul>                                    |  |  |
|     | - to participate and contribute to the All Wales Standards Committee Conference.  | <ul style="list-style-type: none"> <li>One every 2 years – last held 14.09.2018, therefore due 2020 but delayed due to Coronavirus pandemic.</li> </ul> |  |  |
|     | - To be reviewed under a performance appraisal review scheme similar to that used by the County Council members.  | <ul style="list-style-type: none"> <li>One every 2 years – due 2020 - but will depend on resources.</li> </ul>  |  |  |
| 12. | To monitor progress on complaints against members filed with the PSOW and to undertake an annual analysis of complaints data in relation to the County Council and town and community councils in order to identify any trends or issues of concern/training needs. | <ul style="list-style-type: none"> <li>Depending on resources – would usually be scheduled quarterly.</li> </ul>  | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |  |
| 13. | To maintain contact with Group Leaders to discuss any issues of concern.  | <ul style="list-style-type: none"> <li>As and when required</li> </ul>  | <ul style="list-style-type: none"> <li>Chair</li> </ul>              |  |

|     |  |  |  |  |
|-----|--|--|--|--|
| 14. | To review performance indicators for the Standards Committee and to report thereon on a default basis  | <ul style="list-style-type: none"> <li>Depending on resources – would usually be scheduled before April 2021.</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |  |
| 15. | To conduct a programme of training for Standards Committee members in accordance with <b>Appendix B1</b> , as agreed by the Standards Committee at its meeting in March 2019.                          | <ul style="list-style-type: none"> <li>Depending on resources – would usually be scheduled before April 2021.</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring Officer</li> </ul> |  |
| 16. | To consider training for Members - induction for new members (following May 2022 elections) and, separately, annual training for all members, in accordance with WLGA programme ( <b>Appendix B2</b> ) | <ul style="list-style-type: none"> <li>Depending on resources – would usually be scheduled before April 2021.</li> </ul> | <ul style="list-style-type: none"> <li></li> </ul>                   |  |

**Appendix B1:**

| Training                                     | Narrative  | Type of training  | Proposed Date agreed by the Committee – but timetable to be adjusted in accordance with business demands as a result of the Coronavirus pandemic |
|--|--|---|--|
| Code of Conduct                              | All Standards Committee members are bound by the Code of Conduct for Members. The Code stipulates that Members must attend at least one training session on the Code of Conduct during each full term of office, such attendance to take place during the six months following election. | E-learning module on “Ethics and Standards”<br><br>Classroom training to be provided in-house by Monitoring Officer   | Available on demand<br><br>May 2020  |
| Dispensations                                | County Councillors and Town and Community Councillors may apply for dispensations A Panel of the Standards Committee members will consider a written application for dispensations at a Hearing.   | A general classroom training session on Dispensations (the grounds for granting / the methodology for conducting the hearings etc) to be provided in-house by the Monitoring Officer<br><br>Specific training on the dispensation application before the Panel will be provided before each dispensation Hearing to be provided in-house by the Monitoring Officer. | Summer 2020<br><br>As and when required during 2020/2021   |
| Public Services Ombudsman for Wales (PSOW) / | At the formal Standards Committee meetings (March and September), an update will be provided on the cases which have been considered by the PSOW and APW.  | Reports provided bi-annually and a discussion held at the Meetings.   | March 2020<br><br>September 2020<br><br>March 2021   |

| Training  | Narrative   | Type of training   | Proposed Date agreed by the Committee – but timetable to be adjusted in accordance with business demands as a result of the Coronavirus pandemic |
|---|---|--|--|
| Adjudication Panel for Wales (APW) – review of cases      |   |  |  |
| IOACC Constitution  | To provide a general overview of the Council’s Constitution so far as it may affect the Standards Committee   | A general classroom training session on the Constitution to be provided in-house by the Monitoring Officer.  | TBC – 2020   |
| Mediation in the context of the Local Resolution Protocol | Standards Committee members are integral to the Local Resolution process in accordance with the Protocol which has been adopted by the Committee and approved by Group Leaders. | External provider to produce and deliver a bespoke classroom training session to Standards Committee members, based on the process in IOACC’s Local Resolution Protocol. | May / June 2020  |
| Standards Committee Hearings                              | Whilst no Hearings are currently envisaged in the near future, Standards Committee is required to conduct Hearings should the PSOW refer a matter for determination.            | External provider to be approached – perhaps this may be done in collaboration with another/other Standards Committees?  | To be arranged further when required (should a Hearing be likely)  |
| Equality and Diversity<br><br>Cyber Security<br><br>GDPR  | General training which has been identified as relevant for Standards Committee Members from the list of training requested of elected Members.                                  | E-learning modules   | Available on demand  |

| Training  | Narrative   | Type of training  | Proposed Date agreed by the Committee – but timetable to be adjusted in accordance with business demands as a result of the Coronavirus pandemic |
|---|---|---|--|
| Safeguarding (Basic)<br><br>Violence against women; prevent; CSE; Modern Slavery<br><br>Health and Safety<br><br>Licensing* / Planning*<br><br><i>* if on the Committee</i> | This is the list of training requested of elected Members.            | All (excluding Licensing and Planning) to be completed by way of e-learning by Standards Committee members.<br><br>Classroom sessions may also be possible. | Available on demand<br><br>TBC - 2020  |
| Chairing Committees   | To be offered to the newly appointed Chair and Vice-Chair, if desired |   | TBC – 2020   |

## Appendix: B2

| When                        | What  | Audience             | Delivery Method          | Training materials available/needed?  | Who organises/ delivers?     |
|-----------------------------|---|----------------------|--------------------------|---|------------------------------|
| <b>POTENTIAL CANDIDATES</b> |   |                      |                          |   |                              |
| 2015-17                     | Diversity in Democracy Programme - <ul style="list-style-type: none"> <li>• Promotional Campaign</li> <li>• Open Evenings/Events</li> <li>• Videos</li> <li>• Training eg. Social Media</li> <li>• Mentoring</li> <li>• Guidance Materials</li> <li>• Employers Guidance</li> </ul> | Potential Candidates | Various                  | Various   | WG                           |
| 2016                        | WLGA Candidates' Guide (online)   | Potential Candidates | Guide                    | N/A   | WLGA                         |
| 2016                        | Payments to Councillors Leaflet   | Potential Candidates | Leaflet                  | N/A   | IRP                          |
| 2016                        | Guidance & Online Information<br>Open Days/Evenings<br>Mentoring/Shadowing<br>Online Videos<br>Local Democracy Week (w/o 10 <sup>th</sup> October) – local PR activities, links to schools etc.   | Potential Candidates | Various                  | Examples:<br>Conwy - <a href="http://www.conwy.gov.uk/upload/public/attachments/474/WanttobeaCountyBoroughCouncilor.pdf">http://www.conwy.gov.uk/upload/public/attachments/474/WanttobeaCountyBoroughCouncilor.pdf</a><br>Gwynedd <a href="https://www.gwynedd.llyw.cymru/en/Council/Councillors-and-committees/Being-a-Councillor.aspx">https://www.gwynedd.llyw.cymru/en/Council/Councillors-and-committees/Being-a-Councillor.aspx</a> | Councils                     |
| <b>NEW MEMBERS</b>          |   |                      |                          |   |                              |
| Week One                    | WLGA Councillors Guide distributed  | All Members          | Printed and Online Guide |   | WLGA Councils (distribution) |



|                          |   |                        |   |   |   |
|--------------------------|---|------------------------|---|---|---|
| Week One                 | Orientation (Council offices and county facilities)                                   | All members            | Tour  | Information/ maps etc. as part of introductory package produced in each authority.  | Councils  |
| Week One                 | Introduction to the Council, and corporate governance.                                | All members            | Chief Executive   | To be developed by staff locally  | Councils  |
| Week one                 | <b>“Market Place”<br/>ICT induction and equipment</b>                                 | <b>All members (M)</b> | ICT officers, individual sessions on market place day.                            | Session and guidance to be developed by staff locally   | Councils  |
| Week one                 | “Market Place”<br>Introduction to service areas                                       | All members            | Market place, all senior officers, sharing key policy info.                       | Delivery materials not required – basic information to be included in introductory package, who’s who etc.  | Councils  |
| Week one                 | <b>“Market Place” - session<br/>Code of Conduct and Ethics</b>                        | <b>All members(M)</b>  | Monitoring Officer.<br>Ombudsman video now on YouTube, data sticks also.          | WLGA Workshop Materials with MOs.<br>E learning on AWA  | WLGA<br>Councils<br>Neath Port<br>Talbot/<br>AWA (E-learning) |
| 1st 6 Months             | <b>Constitutional matters<br/>including meeting participation</b>                     | <b>All members(M)</b>  | HODS/DS officers/senior member  | Materials available in each authority   | Councils  |
| 1st 6 Months             | <b>Social Services and Well-being<br/>(Wales) Act</b>                                 | <b>All members (M)</b> | Directors of SS   | E learning module (employee section) available now and also local materials   | Councils<br>AWA (E-learning)                                  |
| 1 <sup>st</sup> 6 months | <b>Decisions for Future<br/>Generations (Wellbeing of<br/>Future Generations Act)</b> | <b>All Members(M)</b>  | Workshop - Appropriate senior officers and experienced members.<br>And e learning | WLGA E learning available now on AWA.<br><br>WLGA Workshop materials now with SD Coordinators.  | Councils<br>AWA (E-learning)<br>WLGA/SD coordinators          |
| 1st 6 Months             | <b>Introduction to equalities</b>   | <b>All members(M)</b>  | Equalities Officers workshop and e- learning                                      | Available now on AWA e- learning and workshop materials available in each authority.  | Councils<br>AWA (E-learning)                                  |
| 1st 6 Months             | <b>Safeguarding</b>   | <b>All members(M)</b>  | Directors of Education/SS workshop and e learning                                 | Workshop materials are available in each authority. SSIA councillor workbook available on WLGA website.<br>E learning safeguarding adults on AWA. | Councils<br>AWA (E-learning)                                  |

|                                  |  |                               |  |  |  |
|----------------------------------|--|-------------------------------|--|--|--|
| 1st 6 Months                     | <b>Data Management and FOI</b>   | <b>All members(M)</b>         | Workshop and e learning  | 2 modules available now on AWA - Data Protection Awareness and Freedom of Information                          | Councils<br>AWA (E-learning)               |
| 1st 6 Months                     | <b>Corporate Parenting</b>   | <b>All members(M)</b>         | Directors of SS  | Workshop material available now in each authority. SSIA councillor workbook ready now and e learning to follow | Councils<br>AWA/Cardiff (E-learning)       |
| 1st 6 Months                     | <b>Finance including budgeting and treasury management</b>   | <b>All members(M)</b>         | Finance Directors<br>e- learning   | WLGA workshop material with Finance Directors  | WLGA<br>Councils<br>AWA                    |
| Prior to first meeting           | <b>Planning committee new arrangements from Planning Act</b>   | <b>Planning Committee(M)</b>  | Planning Officer   | WLGA national workshop materials with Heads of Planning.   | Councils<br>WLGA<br>POSW                   |
| Prior to first meeting           | <b>Standards</b>   | <b>Standards Committee(M)</b> | Monitoring Officer   | Workshop material available now in each authority  | Councils                                   |
| Prior to first meeting           | <b>Licensing</b>   | <b>Licensing Committee(M)</b> | Licensing Officer  | Workshop material available now in each authority  | Councils                                   |
| Prior to first meeting           | <b>Audit</b>   | <b>Audit Committee(M)</b>     | Finance Officer  | Workshop material available now in each authority  | Councils                                   |
| Prior to participating           | <b>Appointments, appeals and interview skills</b>  | <b>Panel members(M)</b>       | HR Director  | Workshop material available now in each authority  | Councils                                   |
| Prior to first scrutiny meetings | <b>The role of Scrutiny</b>  | <b>All members(M)</b>         | HODS/Scrutiny officers   | Workshop material available now in each authority. WLGA e learning module on AWA.                              | Councils<br>WLGA/AWA/Bridgend (E-learning) |
| 1st 6 months                     | <b>Planning for non-planning members - protocols</b>   | <b>All members (M)</b>        | Planning officers/experienced member   | WLGA workshop materials with Heads of Planning.  | Councils<br>WG/WLGA                        |
| October/November 2017            | WLGA 5 regional workshops:<br><br>6 <sup>th</sup> October in Caerphilly Council<br>13 <sup>th</sup> October Carmarthen Halliwell Centre, 3rd. November Conwy Business centre, 10 <sup>th</sup> November Swansea Marriott Hotel | All new members               | To include: <ul style="list-style-type: none"> <li>• Cabinet Secretary Mark Drakeford AM</li> <li>• Future Generations Commissioner Sophie Howe</li> <li>• WLGA Chief Executive Steve Thomas</li> <li>• Sessions on: <ul style="list-style-type: none"> <li>○ Key Behaviours for Successful Councillors.</li> <li>○ Digital Councillors</li> </ul> </li> </ul> | WLGA   |  |

|                                       |   |                     |  |  |  |
|---------------------------------------|---|---------------------|--|--|--|
| 2 <sup>nd</sup> 6 Months              | Community Leadership and Casework                     | All members         | Senior member with HODS.<br>e- learning. External facilitators.        | The effective ward councillor e learning module on AWA.  | Councils<br>AWA (E-learning)                                       |
| 2 <sup>nd</sup> 6 Months              | New Cabinet Development                               | Cabinet             | External facilitators  | Materials from external facilitators. Generic leadership workshops that are open to members available through Academi Wales. WLGA can assist with securing national leadership programme at local level. Authorities will need to pay. | Councils<br>commissioned external facilitators.<br>Academi Wales   |
| 2 <sup>nd</sup> 6 Months and ongoing. | Policy, services and legislative requirements updates | Relevant committees | Heads of Service   | By local staff as and when necessary WG/WLGA briefings when available  | Councils   |
| 2 <sup>nd</sup> 6 Months              | Scrutiny chairing (committee and meeting management)  | All Scrutiny chairs | External facilitators  | Materials from external facilitators. Available from WLGA  | Councils<br>commissioned external facilitators                     |
| 2 <sup>nd</sup> 6 Months              | Chairing Skills (meeting management)                  | All chairs          | External facilitators<br>E learning                                    | E learning available on AWA  | Councils<br>commissioned external facilitators<br>AWA (E-learning) |
| 2 <sup>nd</sup> 6 months              | Social Media  | All members         | Comms/IT officers or external facilitators depending on local approach | E learning to be created. Update of Social media handbook in drafting by WLGA.   | Councils<br>AWA (Gwynedd E-learning)                               |
| 2 <sup>nd</sup> 6 months              | Education Consortia their work                        | All members         | Consortia staff  | 2hr session for 5 authorities from Central South other Consortia also.   | Consortia  |

**Note:**

**(M)** = Mandatory Training for all councillors Discussed. AWA <https://learning.wales.nhs.uk/>

# ISLE OF ANGLESEY COUNTY COUNCIL

## LOCAL RESOLUTION PROTOCOL

### February 2020

#### Purpose of the Protocol

1. The purpose of this informal and voluntary Protocol is to:
  - promote high standards of conduct;
  - foster and maintain positive working relationships;
  - address low level behavioural complaints which do not meet the Public Services Ombudsman for Wales' (PSOW) threshold in relation to evidence and/or public interest;
  - deal with matters arising as quickly as reasonably possible to avoid unnecessary escalation of issues;
  - safeguard the Council's reputation.
2. The Protocol seeks to achieve swift resolution and reconciliation by way of a voluntary mediation process, where the parties are assisted by a member of the Standards Committee to reach an amicable resolution.
3. In order to ensure informality, paperwork will be kept to a minimum.
4. It is not a legal requirement to adopt such a Protocol but both the Welsh Government and the PSOW have advised, in the strongest terms, that Local Authorities should have such arrangements in place.
5. The Protocol is not intended to interfere with, or take the place of, group or party discipline; nor self-regulation by members. The Protocol is also not intended to oust the jurisdiction of the PSOW but, rather, to deal with a limited category of complaints which would not meet the PSOW's threshold test for investigation.

#### Circumstances in which the Protocol applies

6. The Protocol is adopted for the benefit of this Council's members and is to be used in circumstances where a member raises a concern about another member or where a senior officer of this Council raises a concern about a member's conduct. The Protocol does not apply to complaints against members by third parties.
7. At the Chair's discretion, and subject to the agreement of the relevant parties to the concern, this model may be used between members of a Town or Community Council.
8. The Protocol will apply to cases of alleged misconduct by members under the following paragraphs of the Code of Conduct, namely:
  - 4(a) – allegations of failure to carry out duties and responsibilities with due regard to the principle of equality for all people;
  - 4(b) - allegations of failure to show respect and consideration for others;
  - 4(c) - Allegations a member is bullying or harassing another individual;
  - 4(d) –

Allegations a member is acting in a way which compromises/likely to compromise the impartiality of the council's officers

5(a) –

Allegations that a member has disclosed confidential information / information of a confidential nature, without consent

5(b) –

Allegations that a member has prevented a person from gaining access to information to which that person is entitled by law

6(1)(a) –

allegations that a member has acted in a way which could bring her/his office or authority into disrepute;

6(1)(d) -

allegations that a member has made vexatious, malicious or frivolous complaints against other members.

7(a) –

Allegations that a member has used or attempt to use her/his position improperly to confer an advantage or avoid a disadvantage for herself/himself or any other person

7(b) -

Allegations that a member has used, or authorised others to use, the resources of the authority improperly / unlawfully

9. It will be at the Chair's discretion as to whether she/he considers the concern raised to be too serious for mediation / to be dealt with under this Protocol.

### **Procedure to follow under the Protocol**

10. A member wishing to use the Protocol is asked to put their concern in writing to the Chair/Vice-Chair of the Standards Committee or to meet with the Chair/ Vice-Chair to confirm
- when and where the alleged breach occurred; and
  - how and why the Code has been breached.
- A written form is attached to this Protocol should this be of assistance to members in submitting their concern.
- If the concern is raised by a senior officer, the referral should be made via the Monitoring Officer.
11. Any concern must be made to the Chair/Vice-Chair of the Standards Committee within 14 days from the date of the event which is the subject of the concern, or 14 days from the date when the event came to the knowledge of the individual instigating the Local Resolution process. Consideration of any concern raised outside this time limit will be at the Chair's discretion.
12. The Chair/Vice-Chair of the Standards Committee will consider the concern and contact the individual raising the same to confirm if s/he considers it appropriate under the Local Resolution Protocol. The Chair/Vice-Chair will contact the individual who raised the concern to advise of her/his decision.
13. If the Chair/Vice-Chair is willing to assist by way of Local Resolution, the Chair/Vice-Chair will contact the individual against whom a concern has been made to explain a concern has been raised and to ask whether s/he would be willing to attend a mediation meeting under the Local Resolution Protocol. Details of the

concern will be shared with the member. The individual will be asked to respond before the expiry of 14 days.

14. Having received a positive reply from the member, the Chair/Vice-Chair of the Standards Committee will arrange four private meetings at mutually convenient times, as soon as reasonably practicable:

The first meeting with the individual who raises the concern so as to gather information and ascertain what sort of resolution s/he wishes to see;

The second meeting with the individual subject to the concern so as to explain the situation, listen to her/his view and ascertain whether s/he would be willing to meet with the person raising the concern so as to reach an amicable solution;

Thirdly, a further meeting with the individual who raised the concern to confirm whether the member is willing to meet with her/him and explain the member's point of view;

Fourthly, a meeting between the person raising the concern and the member who is the subject of the concern with a view to reaching an agreed resolution. The Standards Committee member will not come to a view or make any findings but may make informal recommendations to the parties. Any such recommendations shall not be binding.

15. Whilst this Protocol refers to the Chair/Vice-Chair conducting the mediation process, the Chair/Vice-Chair may delegate actioning points 12 to 14 above to any other member of the Standards Committee. Members of the Standards Committee will only facilitate a mediation meeting if they have received training for this purpose.
16. The meetings shall take place in private.
17. Paperwork shall be limited to any initial written concern and any notes made by the Standards Committee member at the meetings. All notes will be destroyed immediately at the end of the process. No copies will be kept and nothing will be circulated.
18. If no response has been received under paragraph 13 above, within the 14 day period, a reminder may be sent. Should there be no further response, no meeting shall be arranged. In order for the mediation process to succeed, the agreement of both parties is required.
19. Participation in the Local Resolution Process is voluntary and an individual can withdraw from the process at any time.

**LOCAL RESOLUTION PROTOCOL FORM –  
TO INSTIGATE THE MEDIATION PROCESS**

**A: Your Details**

|                                   |              |        |
|-----------------------------------|--------------|--------|
| Surname:                          | Forename(s): | Title: |
| Address and Postcode:             |              |        |
| E-mail Address:                   |              |        |
| Daytime contact telephone number: |              |        |
| Mobile Number:                    |              |        |

Please state by which of the above methods you would prefer me to contact you

**B: About your concern (please continue your answers to the following questions on a separate sheet(s) if necessary)**

- C.1 Name of the member you are complaining about:
- C.2 What do you think they did wrong?
- C.3 Do you think they broke the Members' Code of Conduct and why?
- C.4 Describe how you have been affected by the conduct which is the subject of your concern
- C5. When did you first become aware of the matter which is the subject of your concern?

C.6 Have you already tried to resolve your concern with anyone else, e.g the member direct, group leader etc? If so, please give brief details of how, when you did so and any outcome.

C.7 What is your expectation at the end of the process?

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

When you have completed this form, please send it to:

The Chair/Vice-Chair of the Standards Committee

Email :

[JohnJones@ynysmon.gov.uk](mailto:JohnJones@ynysmon.gov.uk)

[RhysDavies@ynysmon.gov.uk](mailto:RhysDavies@ynysmon.gov.uk)



| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>                        |   |
|---|---|
| <b>REPORT TO :</b>  | <b>County Council</b>   |
| <b>DATE:</b>  | <b>8 September, 2020</b>  |
| <b>TITLE OF REPORT:</b>                                       | <b>Overview and Scrutiny Annual Report 2019/20</b>  |
| <b>REPORT BY:</b>   | <b>Chairs of:</b><br><b>1. Corporate Scrutiny Committee</b><br><b>2. Partnership and Regeneration Scrutiny Committee</b>                    |
| <b>PURPOSE OF REPORT:</b>                                     | <b>Report on the work of the two scrutiny committees during 2019/20 and provide an overview of the 2020/21 scrutiny work programme</b>      |
| <b>CONTACT OFFICER:</b><br><b>E-mail:</b><br><b>Telephone</b> | <b>Anwen Davies (Scrutiny Manager)</b><br><a href="mailto:AnwenDavies@ynysmon.gov.uk">AnwenDavies@ynysmon.gov.uk</a><br><b>01248 752578</b> |

### 1. Recommendations

The Council is requested to:

**R1** Approve the Overview and Scrutiny Annual Report for 2019/20

**R2** Note the continued progress made in implementing our local Scrutiny development journey and the impact this is having on practice

**R3** Approve for the chair of the Corporate Scrutiny Committee to continue in his role as the Scrutiny Champion for the period May, 2020 to May, 2021 in accordance with the national and local arrangements as a result of the current pandemic.

### 2. Background and context

**2.1** This Overview and Scrutiny Annual Report encompasses the work undertaken by the two scrutiny committees between the Council's annual meeting on 14<sup>th</sup> May, 2019 and 19<sup>th</sup> May, 2020

**2.2** The chairs of the two scrutiny committees led on developing the forward work programmes during this period. The scrutiny committees' work programmes are submitted to the monthly Scrutiny Committee Chairs and Vice-chairs Forum and for approval at each scrutiny committee meeting

**2.3** The Council's scrutiny function has been through an improvement journey over the last two years, as a result of commissioning the Public Centre for Scrutiny to review our local scrutiny arrangements (December, 2017). Now, there is a development programme in place in the context of continuous improvement, driving improvements and developments at an appropriate pace which are outlined within the report.

The impact and added value of scrutiny activity is contributing to the Council's corporate priorities through support and challenge.

### 3. Role of the Scrutiny Champion

**3.1** The Scrutiny Champion has an important role in promoting the overview and scrutiny function both within the Council and also with external partners of the Authority. It is not a mandatory or remunerated position. The role is considered

key in demonstrating the Authority's commitment to ensuring that Scrutiny maximises the contribution of non-Executive Members to the organisation's overall performance and "corporate health".

- 3.2** On 14<sup>th</sup> May 2015 the Council resolved that the chair of the Corporate Scrutiny Committee be appointed as Scrutiny Champion for the period May 2015 to May, 2016 and thereafter that the role of the Champion should alternate between the two scrutiny committee chairs. In accordance with local arrangements, the Chair of the Corporate Scrutiny Committee will continue as the Scrutiny Champion for 2020/21.

|                  |
|------------------|
| <b>Appendix:</b> |
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|   |
|---|
| Overview and Scrutiny Annual Report 2019/20 |
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# **Overview and Scrutiny**

## **Annual Report: 2019-20**





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# 1. FOREWORD

## **Councillor Aled Morris Jones**

- **Chair of the Corporate Scrutiny Committee 2019/20**
- **Scrutiny Champion 2019/20**



It is my pleasure to provide an overview of the work of the Corporate Scrutiny Committee over the last 12 months. The scope of work of the Committee is discussed in this report and it is fair to note that the workload continues to be considerable and varied. A total of 10 meetings were convened during the municipal year in order to complete our work programme.

- **Annual budget setting 2020/21** – I feel that one of the most important responsibilities of the Committee is to contribute fully to the process of setting the Council's annual budget as this is a vital process which has a far-reaching impact on every field and service within the Council and on the public. The Committee considered the draft budget for 2020/21. As part of this process, the Committee considered the initial draft budgets, and also the responses to the public consultation, and contributed to the final proposals. The contribution of the **Finance Scrutiny Panel** has added value to the process, and detailed scrutiny work has been undertaken by the Panel which has assisted the Committee with its work in this area. In my opinion, considerable progress has been made over the last 2 years in terms of setting the budget, and the contribution that Scrutiny has made to this process. A strong foundation is in place now as we move towards preparing the budget annually from now on.
- **Quarterly monitoring of performance** – the Committee monitored performance on a quarterly basis during 2019/20, using the corporate scorecard which addresses a number of indicators for all individual services. The scorecard continues to evolve as an effective tool for Elected Member scrutiny of performance and the data of the various services.
- Our work as a committee has also included monitoring and scrutinising a number of **Annual Reports** including the Annual Report of the Statutory Director of Social Services, Social Services Complaints Annual Report, and the Annual Performance Report to name a few, which is a core element of the Committee's work.
- **Transformation priorities** – the Corporate Scrutiny Committee considered a number of significant issues over the last municipal year including the schools' modernisation programme in the Llangefni area.

**Community and other stakeholder engagement-** We are very grateful to all the various groups and individuals who have come before the Committee to give evidence on various issues. I feel that this is one of the most important aspects of Scrutiny and it is vital that we give an opportunity to stakeholders to contribute, listen to the voices and views of individuals within our community to inform our decisions.

I would like to thank members of both our panels, the **Finance Scrutiny Panel** and the **Social Services Improvement Panel** that have made a considerable contribution to the work of this Committee, and is seen as good practice nationally.

To close, I would like to stress that the Scrutiny function within the Council is continuing to develop year on year, and Member scrutiny has influenced the Council's decision-making process and has added value. Thank you to all Committee members and Officers who have assisted and for their noticeable contribution during 2019/20.

**Councillor Aled Morris Jones**

**(Chair of the Corporate Scrutiny Committee and Scrutiny Champion).**

## Councillor Gwilym O Jones

- **Chair of the Partnership and Regeneration Scrutiny Committee 2019/20**



Scrutiny's role is vital within the Council as it ensures that the very best services are provided to the inhabitants of Anglesey, and enables the voices and concerns of the public and local communities to be heard. Scrutiny ensures that councils are transparent, including publishing timely comprehensive information in order to be able to hold decision makers to account. Also, participation within the scrutiny process is an important aspect. I feel that introducing the Public Speaking Protocol in Scrutiny Committees will be a positive step in the right direction through formalising the process for the public to be able to express their opinions openly in Scrutiny Committees.

Firstly, I would like to thank the Members of the Partnership and Regeneration Scrutiny Committee for their contributions and tireless commitment to the work of the Committee which makes an important contribution to delivering the Council Plan and its improvement priorities, and sustaining the standards of our public services. I am also pleased to have an opportunity to provide a flavour of the work undertaken by the Partnership and Regeneration Scrutiny Committee over the last 12 months. The Committee has made fair and robust recommendations to the Executive on a number of subjects and key areas over this period, and the partnership work of the Authority.

- Scrutiny work of the successful collaboration work which exists between the **Council, the Health Board, and organisations such as Medrwn Môn**, with a focus on ensuring that they support vulnerable adults in our communities, and that high quality health and social services are provided. Successful projects between the organisations have been implemented such as the Night Owls service between the **Authority and Welsh Ambulance Services Trust** which alleviates the pressure on the ambulance services, and continues to treat and care for vulnerable adults without them needing to go to hospital. This important scrutiny work will continue during 2020/21.
- **Anglesey and Gwynedd Public Services Board (PSB)** – the Committee has been designated to lead on scrutinising the work of the Board which is a partnership between Gwynedd and Môn, including the work on delivering the Anglesey and Gwynedd Wellbeing Plan, and the governance arrangements. We have seen excellent examples of scrutiny work with Members enquiring about the risks faced by the Board, and the proposed mitigation measures that will be implemented to address these. The work of challenging the Board has been effective with actions deriving from the meetings, which supports the work of improving the performance and results of the Board.
- **Schools' performance** – The Committee has a key contribution in terms of helping the Learning Service to improve schools' performance, and has scrutinised the Schools Standards Report and GwE's work on the Island during the year. The work and contribution of the Schools Progress Review Panel is key in terms of monitoring schools' performance

and to hold them to account. Members of the Panel visit primary and secondary schools before they come before the Panel in order to have a comprehensive overview of the schools before they scrutinise performance. In this way the Panel has challenged individual schools, and ensured that Schools' Head Teachers and Governors are accountable for the performance of schools. Members of the Panel have an understanding of the risks and challenges faced by individual schools to assist them to scrutinise schools' data and performance. The Panel took part in the collaborative project on standards across 4 primary schools, with the Panel afforded the opportunity to observe students' work, which was a unique model of working, and this is an example of the Council undertaking innovative scrutiny activity.

- **Other partnerships** – during the past 12 months, the Committee has scrutinised a number of reports which is a core and important element of ensuring that partnership work is adding value to the Council's work. The Committee scrutinised the North Wales Partnership Board Annual Report, and the Community Safety Partnership Annual Report, and the Corporate Safeguarding Report (ensuring that the Council executes its role in a way that safeguards and promotes the wellbeing of at risk children and adults). Also, a number of partners have come before the Committee including **North Wales Fire and Rescue Service, the North Wales Police and Crime Commissioner, and Welsh Ambulance Services Trust**, and the Members undertook detailed scrutiny and questioning on their work on the Island in order to ensure the very best public services for the inhabitants of Anglesey.

The Committee scrutinised the proposals for the **Transformation of Learning Disabilities Day Services**- the proposals were considered for the future services and the need to develop sustainable opportunities through service modernisation. The Committee submitted recommendations to the Executive, which had an impact on the final decision through amending the proposals in which the Council are going to consult on.

I would like to thank all members of the Partnership and Regeneration Committee, and the Schools Progress Review Panel for the effective work over the last year, for their detailed scrutiny work which is having an obvious impact on the Council's decisions, and which ensures that the interest of the inhabitants of Anglesey is at the core of everything the Council does.

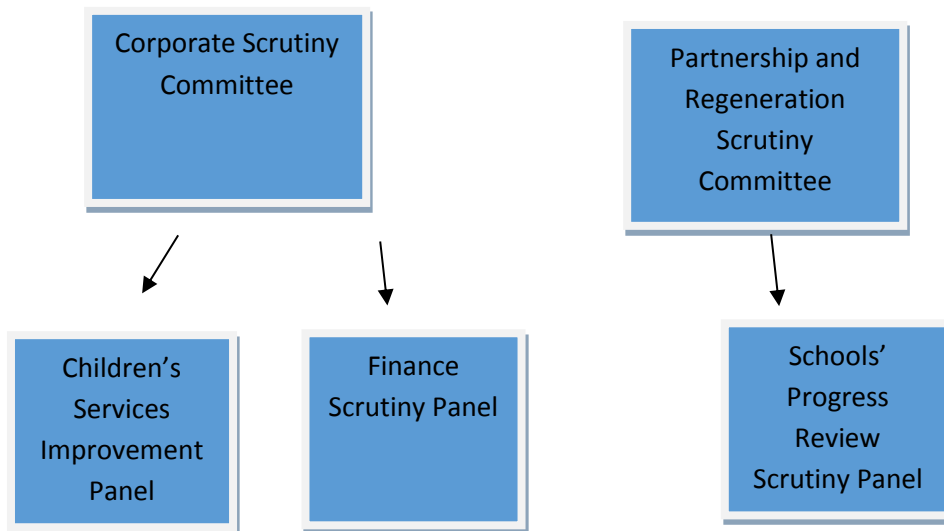
**Councillor Gwilym O Jones**  
**(Chair of the Partnership and Regeneration Scrutiny Committee)**

## 2.0 OUR LOCAL STRUCTURE

Scrutiny committees form part of the way in which local government in Wales operates. Their prime role is to hold the decision-makers to account, drive improvement, act as the voice of the community and play a role in policy development and review. A summary of the national policy context is outlined in **APPENDIX 1**.

- 2.1 Our local structure comprises of 2 scrutiny committees and three panels:





The remit and membership of our scrutiny committees are summarised in **APPENDIX 2**.

### 3.0 LOCAL SCRUTINY DEVELOPMENT JOURNEY

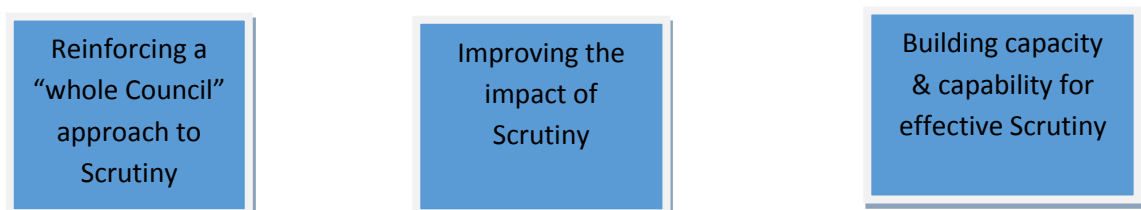
3.1 The Council's scrutiny function has been through an improvement journey over the last two years, as a result of commissioning the Public Centre for Scrutiny to review our local scrutiny arrangements (December, 2017). The improvement programme put in place as a result of the review has now come to an end, and a development programme has now replaced it within the context of continuous improvement. The review provided a strong foundation to develop scrutiny role within the Council, and supports a robust and effective method of making decisions, and continues to evolve in a positive manner. These strong foundations are now the basis for the development programme which drives improvements and developments at an appropriate pace.

#### 3.2 Key Improvement Themes

Again this year, our improvement programme has prioritised a number of key themes (which are summarised below), in order to provide a robust framework to:

- Clarify the role and contribution of Scrutiny in the governance arrangements of the Council
- Identify the actions required in the short and medium term in order to further improve Scrutiny.

#### SCRUTINY DEVELOPMENT JOURNEY: KEY THEMES



Improving public engagement in our Scrutiny work

Well-Being of Future Generations and Scrutiny

We have recently adopted a development programme which provides a local framework for continuing with our Scrutiny journey. In Paragraph 5 below, there is a summary of the progress made over the last year, and it begins to measure the impact of the improvements made.

### 3.3 Wales Audit Office Review of Public Services Boards

Wales Audit Office (WAO) undertook a review of the local authorities' scrutiny arrangements on the work of the Public Services Board during October 2019. The report was positive with aspects of good practice. Two recommendations were noted to improve the current scrutiny arrangements in general namely:

1. that PSBs and public bodies use the findings of the Discussion Paper: Six themes to help make Scrutiny 'Fit for the Future' by Auditor General for Wales to review their current performance, and note where they need to strengthen arrangements and overview function.
2. that PSBs ensure that scrutiny committees engage sufficiently with a broader range of stakeholders that can help hold PSBs to account.

As a result, these recommendations were addressed in a proactive manner, and the progress made has been outlined in the Impact of Scrutiny Journey for 2019.20 table in paragraph 4.3 of this report.

## 4 ASSESSING THE IMPACT OF SCRUTINY

4.1 A number of significant **outputs** were achieved by Scrutiny during the last municipal year which go some way in assisting us to assess the impact that the function has had locally:

- **Committee meetings** – a total of 20 scrutiny committee meetings were convened during 2019/20

| Committee                                       | Number of Committees convened |
|---|-------------------------------|
| Corporate Scrutiny Committee                    | 10                            |
| Partnership and Regeneration Scrutiny Committee | 10                            |

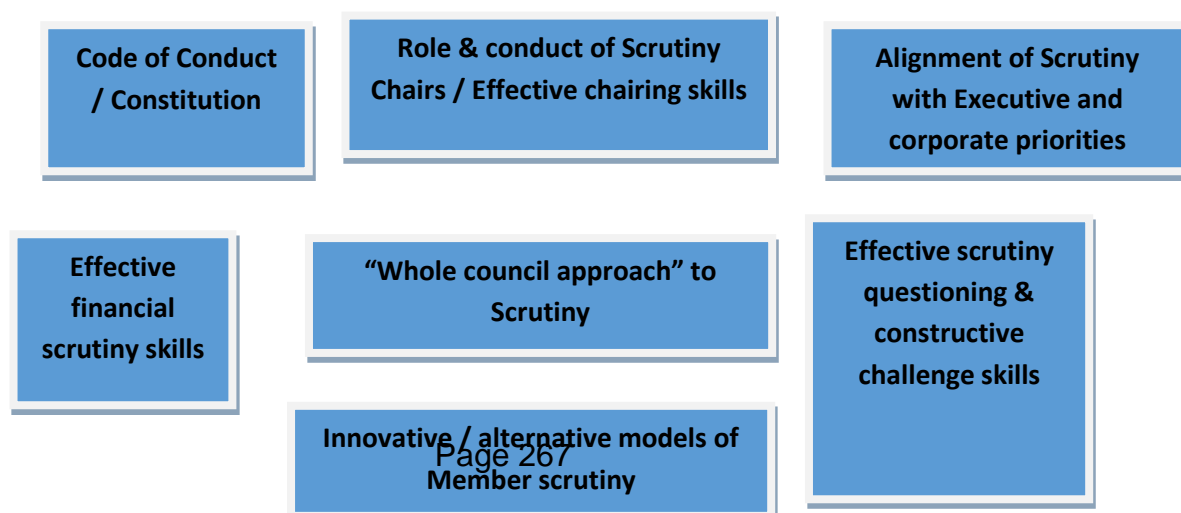
There are also robust arrangements in place to ensure feedback at meetings of the Executive by scrutiny committee chairs on matters that have been considered by both committees.

- **Scrutiny Panel meetings** – there have been regular meetings of all 3 scrutiny panels during 2019/20

| Panel                             | Number of meetings convened |
|-----------------------------------|-----------------------------|
| Social Services Improvement Panel | 8                           |
| Finance Scrutiny Panel            | 7                           |
| Schools Progress Review Panel     | 7                           |

These panels have been embedded into practice by:

- ✚ Putting in place robust governance arrangements to support each panel.
- ✚ Ensuring a clear focus / remit and work programme for each panel.
- ✚ Putting in place a reporting / escalation process ensuring that the work of scrutiny panels is reported quarterly to the two Parent Committees, with Chairs of the Panel offering recommendations on plans or proposed decisions.
- ✚ Ensure appropriate pace for the work of the panels, which is in line with corporate priorities, and detailed scrutiny on Council's all important subjects.
- **Forward work programmes** – there is a well-established practice of forward work programming in place to underpin the work of both scrutiny committees. These programmes are an important tool in assisting scrutiny committee members to prioritise their work and have been discussed with the Senior Leadership Team and Heads of Service. Both committees review the content of their forward work programmes on a regular basis in order to ensure that they remain relevant and keep abreast with local priorities. Our local forward planning arrangements now ensure greater focus on:
  - i. Strategic aspects
  - ii. Citizen / other stakeholder engagement and outcomes
  - iii. Priorities of the 2017/2022 Council Plan and corporate transformation programmes
  - iv. Risks
  - v. Work of audit, inspection and regulation
  - vi. Matters on the forward work programme of the Executive.
- **Chairs and Vice-chairs Forum** – is well established and continues to meet on a monthly basis. The Forum is considered an important vehicle to oversee the scrutiny committee work programmes and jointly negotiate priorities with the Scrutiny Committees' Chairs and Vice-chairs. It also takes lead responsibility for developing and continuously improving the overview and scrutiny function in the Council. The role of the Forum has also evolved to include monthly conversations between the Executive (Leader), Chairs/Vice-Chairs of Scrutiny and the Senior Leadership Team (Chief Executive) to ensure better alignment between work programmes.
- **Development, training and support for Members** – by:
  - ✚ Putting in place a phased, bespoke development programme which focuses on the key elements of governance / scrutiny:



- ✚ Convening monthly awareness raising sessions to share information/ raise Scrutiny Members' awareness of key issues (e.g. Wellbeing of Future Generations, role of the Public Services Board). Also, as a forum for Member self-evaluation / reflection on the performance of scrutiny.
- **Scrutiny across a broader base** – a broader approach to Member scrutiny has been further developed during the year by:
  - i. Effective forward planning to ensure alignment between topics discussed at Member briefing sessions, scrutiny panels and full scrutiny committee meetings.
  - ii. Ensuring clarity of role for Members on corporate programme boards and ensuring robust, timely high level reporting to scrutiny committees, escalating slippage as required.
  - iii. Developing the breadth of topics discussed at Member briefing sessions, in support of Scrutiny and ensuring information available to Members on strategic and transformation topics.
- **“Closing the Scrutiny loop”** – by having in place robust arrangements to:
  - i. Report on progress or escalate issues from:
    - ✚ Scrutiny panels to parent committees
    - ✚ Scrutiny committees to the Executive
    - ✚ Corporate programme boards to scrutiny committees.
  - ii. Enable and encourage self-analysis and reflection by Scrutiny Members in order to identify strengths and areas for further development / focus.
- **Scrutiny & Wellbeing of Future Generations** – developing the role of Scrutiny by:
  - ✚ Ensuring Members focus on the 5 ways of working to frame questions
  - ✚ Developing a revised scrutiny report template, placing wellbeing of future generations at its core
  - ✚ Raising awareness and providing information in Member briefing and development sessions
  - ✚ Reviewing progress made in developing the role of scrutiny against best practice
  - ✚ Putting in place a framework to scrutinise the Public Services Board and key partnerships.
- 1. **Citizen engagement in Scrutiny** – developing a policy statement as the foundation to further develop our engagement with citizens through Member scrutiny and putting steps in place to ensure that the voice of citizens is heard in the local decision making process. Both Scrutiny Committees as well as the Executive have approved the Public Speaking Protocol in Scrutiny Committees, and it will be adopted subject to formal approval of the Full Council in September, 2020. The aim of the Protocol is to further strengthen our engagement arrangements by having a robust framework in place. The Protocol will ensure that the voice of the people and communities of Anglesey are heard and included

as part of the decision making process, and ensuring that the public is provided with a clear and accessible process for making their views known to the Scrutiny Committees.

### **Measuring outcomes:**

4.2 Capturing and assessing the impact of Scrutiny is a challenge to achieve as the **outcomes** of overview and scrutiny activities are not always tangible and often do not easily lend themselves to being measured in a systematic way. Furthermore, it is not easy to measure the effectiveness of the overview and scrutiny function's ability to influence decision makers through discussion and debate. There are however some examples where the input of scrutiny has added value and / or influenced the way in which proposals have been implemented by the Council.

#### **General Scrutiny Outcomes**

- **Forward work programmes** – scrutiny work programmes are now a rolling programme focusing on the quality of scrutiny with fewer items in order to add value. Our arrangements also ensure alignment of Scrutiny Committees' work programmes with the Executive and Senior Leadership Team work programmes.  
**Outcome:** rolling work programme for scrutiny committees, aligned to corporate priorities.
- **Development, training and support for Members** – ensuring that Elected Members involved in Scrutiny have the right skills and competencies to undertake the work is a key element of the Councils scrutiny arrangements. A Member Development and Training Plan is in place, which includes elements such as chairing meetings, deciding for the benefit of future generations (Future Generations Act 2015), with an 'Introduction to Scrutiny' e-module available for all elected members. The monthly members briefing sessions are informal development sessions, and a means of receiving information which assists them to scrutinise.  
**Outcome:** Members involved in the Scrutiny process have the right skills and competencies and have access to the training and development opportunities they need to undertake their role effectively (**better decisions**).
- **Citizen engagement and participation** – scrutiny input to the **schools' modernisation programme** (Llangefni Area) also included direct engagement with and contribution from school governors, parents and local communities during the Corporate Scrutiny Committee, which added value to the decision making process.
- Local Elected Members contributed towards the discussion regarding **Transformation of Learning Disabilities Day Services** in the Partnership and Regeneration Scrutiny Committee expressing concerns on behalf of the community, and ensuring that their voices were heard in this process of deciding on developing the current provision. As a result of their contributions, scrutiny comments had a direct influence on the wording of the final proposals submitted to the Executive for approval.  
**Outcome:** this involvement by local people and other stakeholders in Member scrutiny has further developed our capability to ensure that the voices of local people are heard as part of the decision making process (**better public engagement**). Also, a strong foundation upon which to improve outcomes for citizens.
- **Self evaluation; Measuring the impact of scrutiny-** evaluating the impact of the improvement journey and the key themes outlined as part of this journey namely; Reinforcing a whole Council approach to Scrutiny; Wellbeing of Future Generations and Scrutiny; improving the impact of scrutiny; Increasing scrutiny's capacity and abilities;

Improving engagement with the public in our scrutiny work. As part of the assessment the recent scrutiny successes were highlighted, and the areas for further improvement to drive scrutiny work. It was noted that the Members' level of understanding of the complexities of various Council services had increased significantly over the year.

### **Financial Scrutiny**

- **2020/21 budget setting process** – a more strategic and outcome based approach to budget setting based on best practice is embedded into local practice. The Corporate Scrutiny Committee concentrated its efforts on a number of key issues and have submitted recommendations to the Executive in terms of setting the budget for 2020/21. The Finance Scrutiny Panel has played an important role in this process too through scrutinising the initial proposals for the revenue and capital budgets, and the final budget proposals. The Scrutiny comments and recommendations influenced the Council's final decision. Also, the Finance Scrutiny Panel undertook detailed scrutiny work in terms of considering setting the council tax in a way that protected the Council's services and ensured provision for the risks that are difficult to measure, and which is affordable for the public. In summary, The Panel and the Committee added value to the decision making process.

**Outcome:** a more systematic approach to financial scrutiny, as an essential building block of sound financial management and governance.

- **Monitoring Capital and Revenue Budgets-** The Panel scrutinise and monitor the council's capital and revenue budgets quarterly, focusing on overspend and addressing any financial pressures. Furthermore, the Panel receive presentations from services facing significant financial pressures and who overspend in order to identify any possible mitigation measures. The Panel has scrutinised the Council's Generating Income Strategy in order to ensure maximum impact.
- We continue to work side by side with CIPFA Cymru to develop our finance scrutiny journey, with CIPFA Cymru providing guidance and professional advice as a critical friend. We intend to build on these strong foundations, and continue to develop the financial scrutiny function within the Council. A development workshop was held outlining the role of the 151 Officer within the Council, and contribution from CIPFA Cymru outlining the role of financial scrutiny- principle and process, in order to enrich the Members' knowledge, and provide them with the necessary skills to scrutinise the financial aspects. The workshop provided the opportunity to identify priorities in moving forward, and development areas for the Panel in order to have greater influence and impact.

#### **Outcomes:**

- A more strategic approach to financial scrutiny making a robust and important contribution towards financial management and governance arrangements.
- Implementation of some positive mitigation measures by Children's Services and the Learning Service in response to significant budget pressures.

### **Scrutinising Social Services**

- **Social Services Improvement Scrutiny Panel** – This Panel has now combined Children's Services and Adults Social Services under Social Services umbrella, in order to enable a robust forum to scrutinise all aspects of the service's work as a whole. The Panel has been scrutinising the progress of the Adults improvement plan, and the children's services development plan, and have received quarterly updates on the

Care Inspectorate Wales' recommendations. This work has also seen Members receiving training and awareness raising sessions in order to enrich their knowledge regarding the field and the challenges to assist them to scrutinise this vital field, and as a result further developing their Scrutiny skills in the social services area. The Laming visits continued as a key process for the Members to scrutinise aspects of Social Services. Scrutinising the performance of Social Services is also a substantial aspect of the Panel's work programme.

This work stream has led to the below positive outcomes:

**Outcomes:**

- ✚ A team of Members who have developed a high level of knowledge about the complexities and the challenges the social services face, and a level of expertise in the service area.
- ✚ Creating conditions that are conducive to effective Scrutiny e.g. there has been a tangible improvement in the level and depth of questioning by the Panel that are challenging and promote continuous improvement.
- ✚ Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources including undertaking Site Visits and speaking to service users which provides a clear insights to the standard of the provision in order to scrutinise the field.
- ✚ Better understanding by Elected Members of the complexities and risks in Social Services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward as a result of the range of sources that are available to them.
- ✚ A broad overview of the performance of Social Services- financial performance and performance against the Improvement Plan.

***(better decisions, better outcomes)***

**Scrutinising the Education field**

- **Monitoring School Performance** – Scrutiny is playing an active part in monitoring and encouraging improvement by both schools and the Council's Learning Service.

Since May 2019, Members of the Schools Progress Review Scrutiny Panel have:

- Met with Head Teachers and Chair of Governors of two primary schools.
- Met with teachers and Head teachers of the Foundation Phase Cluster Leadership Group who aim to assist schools with strengthening performance in the Foundation phase.
- Received school performance updates from officers of the Regional School Effectiveness and Improvement Service for North Wales (GwE).
- Attended GwE and the Learning Service shadowing activities; including cluster work, individual school activities, have attended a number of training sessions conducted by GwE, and have monitored standards by visiting individual schools and in the meetings of the Panel.
- Monitored implementation of the Learning Service Action Plan.
- Met with one of Estyn's Schools Inspectors, where the valuable contribution of the Panel was mentioned in terms of sustaining teaching standards on Anglesey.

- Undertook a self-evaluation exercise
- Submit timely progress reports to the parent committee.

A Development Workshop was held to decide on the priorities and development areas for the next period and also to inform the Panel's work programme in an effective way. It was decided to continue with the arrangement of scrutinising standards in individual schools, shadowing GwE and the Learning Service, closing the cycle so that the contribution of the Panel reaches the parent Committee/the Executive. It was felt that there was a need to further strengthen the role of Elected Members as School Governors (critical friend).

Very constructive comments were received from a Head Teacher of a primary school after he came before the Panel, and he noted that the collaboration work with the Panel had been constructive and valuable for the school. He noted that he had been able to demonstrate the collaboration work between the school and the Panel to Estyn's Inspectors as part of the discussions that led the school being taken out of the Significant Improvement category.

### **Outcomes:**

- ✚ The responsibility for school performance ultimately lies with the Head teacher and School Governing Body. However, constructive scrutiny by the Panel and the Committee during this period has contributed to improvement of education on the Island.
- ✚ Panel Members have sound knowledge of the schools' complexities and risks which is of great assistance to them when effectively scrutinising individual schools performance, holding them to account as they have complete information about individual school standards and the wider context the schools operate within.

- **Working in collaboration with key partners**

Scrutinising the Council's work of working in partnership with other public sector organisations is vital and the Wellbeing of Future Generations (Wales) 2015 Act reinforces the need to further strengthen scrutiny of partnerships. The Partnership and Regeneration Committee has scrutinise a number of partners during the last civic year including North Wales Fire and Rescue Service, the Police and Crime Commissioner and North Wales Police, Welsh Ambulance Services NHS Trust and North Wales Regional Emergency Planning to name a few.

### **Outcomes:**

- ✚ Ensured that partners are working together to meet statutory obligations in terms of working together. The Partnership and Regeneration Scrutiny Committee assured that partners are working effectively on the Island, and that the services offered are of high standard and meet the needs of the local population.
- ✚ During this period Members of the Partnership and Regeneration Scrutiny Committee have enhanced their knowledge, and will be in a stronger position to provide effective scrutiny by way of regular monitoring in moving forward.
- ✚ The Committee's forward programme has matured, and the Members have a developed thorough knowledge about the Council's partnership work. Also, the scrutiny questions challenges the partnership work, and are a way of ensuring that the



partnership work contributes towards achieving the Council Plan, and offers first class services to Anglesey's inhabitants.

- **Scrutiny of the Anglesey and Gwynedd Public Services Board**

Anglesey and Gwynedd Public Services Board was established in 2016, in accordance with the Well-being of Future Generations (Wales) Act 2015, which emphasises the need to scrutinise partnerships, and the need for public bodies to work in collaboration in order to ensure the very best results now and in the future. The progress in terms of delivering the Wellbeing Plan was scrutinised on 10 March, 2020.

The Partnership and Regeneration Scrutiny Committee continued to scrutinise the partnership during this period.

**Outcomes:**

- ✚ Scrutinising the governance structure and delivery arrangements of the PSB. The Partnership and Regeneration Scrutiny Committee assured that governance arrangements complied with statutory requirements and no changes required at present.
- ✚ The Partnership and Regeneration Scrutiny Committee scrutinised the pace of implementing the work streams of the Wellbeing Plan, and received confirmation of the main risks and the mitigation measures, and the practical steps taken by the Board in order to integrate its priorities into plans and strategies of other public bodies.

**Measuring the Impact of our Development Journey:**

The table below summarises the impact of some of our key development areas during 2019/20:

**IMPACT OF OUR SCRUTINY DEVELOPMENT JOURNEY**

| Priority Area          | How   | Outcome  |
|------------------------|---|--|
| <b>Scrutiny Vision</b> | <p>We have ensured a whole Council approach to scrutiny.</p> <p>The Council has a Scrutiny Champion to ensure a supportive environment for scrutiny to succeed.</p> <p>Strong foundations laid by the Scrutiny Chairs and Vice-Chairs to improve outcomes for the</p> | <p>Evidence → increase in Member confidence; better scrutiny in committees; questioning strategy; quality of Member contributions in panel work and maturity of questioning strategies; feeling of Team Scrutiny amongst most Members.</p> <p><b>(better decisions, better outcomes)</b></p> |

|   |   |  |
|---|---|--|
|   | public, better decisions and governance.  |  |
| <b>Scrutiny forward work programmes</b> | <p>Further developed our arrangements and have put more emphasis on:</p> <ul style="list-style-type: none"> <li>• Strategic aspects</li> <li>• Public engagement</li> <li>• The priorities of the Council Plan (2017/22), and corporate transformation programmes</li> <li>• risks</li> <li>• audit, investigation and regulation work</li> <li>• Items on the Executive's work programme</li> </ul><br><ul style="list-style-type: none"> <li>• Have developed a covering report for the work programme which is presented in every Scrutiny Committee.</li> </ul><br><ul style="list-style-type: none"> <li>• Programme alignment conversations with the Leader and Chief Executive at the Scrutiny Chairs/Vice-Chairs Forum (monthly).</li> <li>• Monthly discussion between the Leader, Head of Democratic Services and Scrutiny Manager.</li> <li>• Regular alignment conversations →</li> </ul> | <p>Rolling work programmes concentrating on less items in order to add value, and concentrate on the quality of scrutiny.</p> <p><b>Alignment</b> – have ensured effective forward planning in order to ensure alignment between topics discussed in Members briefing sessions, scrutiny panels, and scrutiny committee meetings. Alignment between work programmes across the Council.</p> <p>Well planned, effective and objective scrutiny.</p> <p>(better decisions)</p> |

|  |   |  |
|--|---|--|
|  | scrutiny officers and heads of service.   |  |
| <b>More innovative methods of Scrutiny</b> | <ul style="list-style-type: none"> <li>• <b>Scrutiny Panel's Contribution-</b> the Panels have been a means of scrutinising specific services and matters in more detail, and report to the Scrutiny Committees in order to inform decisions. This has included reviewing and developing the work programmes of the Panel.</li> <li>• <b>Self-evaluation-</b> The three panels undertake regular self-evaluations and report on progress to the two parent Committees in order to measure successes, and to identify priorities in moving forward.</li> <li>• <b>Scrutiny outside of Committees-</b> the monthly briefing sessions are a way of scrutinising key areas outside of formal meetings, which assists the Members to undertake informed scrutiny in the Scrutiny Panels and Committees as a result.</li> </ul> | More innovative methods of undertaking the scrutiny work (SAC proposal for improvement), leading to better results and more impact. (better decisions, better outcomes). |

|  |   |  |
|--|---|--|
| <p><b>Scrutiny Template</b></p>                        | <ul style="list-style-type: none"> <li>• Following trialling a new scrutiny template, which includes clear scrutiny questions, compliance with the requirements of the Well-being of Future Generations Act (Wales) 2015, the template is now operational and has had an impact on the depth of the questioning in the meetings.</li> </ul> | <p>Clarity of Scrutiny role → concise objectives, clear scrutiny questions, compliance with the requirements of the Wellbeing of Future Generations (Wales) Act 2015.</p> <p><b>(better decisions)</b></p> |
| <p><b>Member development, training and support</b></p> | <ul style="list-style-type: none"> <li>• A scrutiny development programme has been developed.</li> <li>• Monthly briefing sessions are held which correspond to various items on the Committee work programmes.</li> <li>• Finance scrutiny-development workshop facilitated by CIPFA held August 2019.</li> </ul>                          |  |
| <p><b>Public Engagement</b></p>                        | <p>The Scrutiny Committee meetings are advertised on the Council's social media.</p>  | <p><b>(Better outcomes, better decisions, better engagement)</b></p>   |

|   |   |   |
|---|---|---|
|   | <p>A Public Speaking Protocol in Scrutiny Committee has been developed, and it will be operational subject to the full Council's approval.</p> <p>Ensured the voice of the public as part of strategic matters; Transformation of Learning Disabilities Day Services, and Schools Modernisation Programme.</p>  |   |
| <p><b>Public Services Board (PSB)</b></p> | <p>A programme was put in place in order to address the two recommendations made by Wales Audit Office on Public Services Boards.</p> <p>Gwynedd and Anglesey Public Services Board Programme Manager has worked closely with the Council's scrutiny function; has agreed on scrutiny schedules, and the areas to be scrutinised (scrutinise the delivery of the Wellbeing Plan, the Annual Report and the governance arrangements). They have also worked in collaboration in order to align scrutiny cycles to coincide with the Board's meetings.</p> <p>The PSB share information and minutes to ensure that the scrutiny committees has the necessary information to scrutinise effectively.</p> | <p>Effective scrutiny of the work of the Public Services Board, an increase in the Members' confidence and understanding as a result of receiving regular reports on the progress of the work.</p> <p>Compliance with national guidance.</p> <p>(better engagement)</p> |

|  |  |  |
|--|--|--|
|  | <p>The Leaders of the PSB sub-groups have been invited to the scrutiny committee meetings, which ensures more comprehensive presentations on the progress of the work of the sub-groups.</p> |  |
|--|--|--|

#### 4.4 Self-assessment of Scrutiny effectiveness

Our work around measuring the outcomes and impact of Scrutiny practice in the Council has also included some survey work with Members again this year, through small group discussions with Scrutiny Members and the Senior Leadership Team.

##### Self-assessment core questions:

- What were the highlights in Scrutiny during the past year?
- In your opinion, what impact did Scrutiny have during 2019/20 in supporting the Executive to make effective decisions?
- Are there any aspects that could be improved or delivered more effectively in the future?
- What development needs do you have to support you in the role?
- Any general observations on the influence and / or impact on the work of Scrutiny Members in the decision making processes?
- In your opinion, are there opportunities to further develop the scrutiny function within the Council?

##### What our Members had to say...

###### A. Scrutiny Members

Below is a flavour of what the Scrutiny Chairs and Vice-Chairs had to say during discussions about the impact of Scrutiny during the Scrutiny Committee's Chairs and Vice-Chairs Forum. The findings of this exercise have fed into our improvement priorities for 2020/21.

### LOOKING BACK

We have had a number of opportunities during the year to scrutinise in detail on a number of areas, and we have most definitely added value to a number of decisions made by the Executive and full Council for the benefit of the public. The Members work well together and I am extremely grateful for their good scrutiny which continues to develop.

Scrutinising the partnership work between Health and Social Services can for example be more challenging for the Members I feel, and as a result it is more difficult to think of scrutiny questions.

The Schools Progress Review Panel's scrutiny arrangements are very effective as the Members are well informed of the Learning Service and GwE's shadowing arrangements as they attend relevant training offered to teachers, and visit individual schools before the Head Teacher and Chair of Governors come before the Panel. As a result, the Members ask relevant but quite challenging questions, and contribute excellently.

The Scrutiny Chairs and Vice-Chairs Forum is an opportunity to look at both Committee's forward work programme, to express opinion and to raise any scrutiny matters. But more importantly the Forum is an opportunity to receive information.

The work of the Panels is valuable and adds value to the Council's scrutiny processes as they enrich our knowledge as Members. I have learnt so much about the complex and broad area of Social Services, and the challenges in which they face, which is very useful for us when scrutinising the work of the Service.

The Members appreciate the importance of reading reports thoroughly which is evident from the questions they ask during the meetings.

## LOOKING FORWARD

The scrutiny development sessions we have received have been very valuable, but I feel it is time for us as Members to receive more training and development sessions to assist us in our role.

I feel that we need to add new work to the work programmes of the Committees and Panels.

There are examples of complex and lengthy reports which are difficult to read. Summaries of the key important matters from the reports would help us as Members to scrutinise, although I fully realise that this is challenging with complex matters.

There is a need for us to strengthen the voices of our communities and inhabitants in the scrutiny process, and introduce the Public Speaking Protocol in Scrutiny Committees that will simplify the process of requesting to speak in Scrutiny Committees, leading to greater engagement and contribution by the community. The Protocol will raise the awareness of the public of their right to speak in Scrutiny Committees.

Scrutiny work can take up to 18 months to two years to see its full value, as plans and decisions do not mature for some time. There is a need to consider how to demonstrate this in the Annual Reports from now on in order to have a full picture of the impact of the scrutiny work on the Council.

B. Senior Leadership Team

Comments were received from the Senior Leadership Team as part of the self-assessment:

The Members ask good scrutiny questions in the monthly briefing sessions, and make a very important contribution to the Council's decisions and work in general.

The scrutiny arrangements are effective and fit for purpose, and is a great strength within the Council's governance arrangements.

The impact of the Development Programme is evident on the Council's scrutiny arrangements, and the scrutiny work undertaken by the Members.

### Looking Forward

In terms of meeting practice, create the conditions for the chairs of the scrutiny committees to introduce the scrutiny questions in the report to start the discussion. Purpose: the scrutiny questions framing the committee's consideration of the subject concerned.

Continue to promote the scrutiny panel's input in terms of their monitoring work and holding to account in particular areas.

Continue with the planning and programming work in order to ensure that the work programmes of both Committees are balanced.

To note in an obvious manner the added value as a result of the input of the Scrutiny Members.

## 5.0 LOOKING FORWARD TO 2020/21

5.1 The Authority will continue on the next stage of its development journey and the following key areas have been prioritised in the recently published development programme for action over the coming months:



## KEY SCRUTINY DEVELOPMENT AREAS

| Theme                                 | How   | Desired Outcome <sup>1</sup>   |
|---------------------------------------|---|--------------------------------|
| <b>Vision</b>                         | Continue to mainstream our Scrutiny vision, and ensure that every Elected Member and Officer have a robust understanding of scrutiny's purpose and value within the Council's governance.   | <b><i>Better outcomes</i></b>  |
| <b>Member Development and Support</b> | <ul style="list-style-type: none"> <li>• Further develop the bespoke rolling programme in place to support and develop Scrutiny Members – focus on self-evaluation; chairing skills; scrutiny of performance data; financial scrutiny; information technology matters; E-learning.</li> <li>• Convene short, regular briefing/ development / review sessions with Scrutiny Members.</li> </ul>  | <b><i>Better decisions</i></b> |
| <b>Scrutiny Panels</b>                | <p>Support the work of the panels through:</p> <ul style="list-style-type: none"> <li>• Ensuring the forward work programmes of the 3 Panel align with the Council's corporate priorities.</li> <li>• Developing an evolving focus to the work of the Panels.</li> <li>• Ensuring that the Panels complete self-evaluation exercises at least once a year.</li> <li>• Accountability through reporting on the progress of the Panels' work quarterly, and continue to formalise the routine of reporting to the Scrutiny Committees through the Chairs of the Panel as a matter of course.</li> <li>• Pace of implementation, and detailed scrutiny of data in order to assist the</li> </ul> | <b><i>Better decisions</i></b> |

<sup>1</sup> Outcomes and Characteristics for Effective Local Government Overview and Scrutiny – Good Scrutiny? Good Question! Wales Audit Office, 2014

| Theme  | How   | Desired Outcome <sup>1</sup>    |
|--|---|---------------------------------|
|  | Scrutiny Committees with their scrutiny work.   |                                 |
| <b>Citizen Engagement in our Scrutiny work</b> | <ul style="list-style-type: none"> <li>• Further formalise the arrangements to engage with the public, and ensure that the voice of the public is heard in the scrutiny process in line with the recommendation of Wales Audit Office.</li> <li>• Protocol for Public Speaking – mainstream once it receives the approval of the full Council, in order to ensure greater public participation by providing a clear structure for the public to request to speak in Committees.</li> </ul>  | <b><i>Better engagement</i></b> |
| <b>Wellbeing of Future Generations</b>         | <ul style="list-style-type: none"> <li>• Continue to support chairs to develop the role of scrutiny whilst meeting the requirements of the Well-being of Future Generations Act 2015.</li> <li>• To fully embed a robust questioning strategy using the Well-being of Future Generations Act to ensure that key scrutiny questions are included in every committee report and are asked in the Panel and Committee meetings.</li> <li>• Ongoing discussion with the Directors and Heads of Service in order to ensure that engagement and the Wellbeing of Future Generations play an important role within our Scrutiny arrangements.</li> <li>• Review our arrangements in order to ensure that they comply with the requirements of the Well-being of Future Generations Act and the thinking of the Commissioner’s Office.</li> </ul> | <b><i>Better outcomes</i></b>   |

| Theme  | How  | Desired Outcome <sup>1</sup>                                       |
|--|--|--|
| <b>Public Services Board and partnership working</b>       | <ul style="list-style-type: none"> <li>Continue to scrutinise the work of the Public Services Board in delivering the Wellbeing Plan and the Board's governance arrangements, and the effectiveness of partnerships in accordance with the national guidelines.</li> <li>Continue to invite key partners to come before the Committees in order to scrutinise their work on the Island.</li> </ul>   | <b><i>Better engagement</i></b>                                    |
| <b>Innovative models of Member Scrutiny</b>                | <ul style="list-style-type: none"> <li>As a result of the Covid-19 pandemic, consider more innovative and effective ways of scrutiny, taking full advantage of technology to this end.</li> </ul>  | <b><i>Better decisions, better outcomes, better engagement</i></b> |
| <b>Alignment and Ownership of Scrutiny Work Programmes</b> | <ul style="list-style-type: none"> <li>Review and update the scrutiny panels and committees' work programmes monthly to align with the process of updating the Executive's forward work programme.</li> <li>Ensure a discussion about the forward work programme in every meeting of the Scrutiny Chairs Forum/ committee/ panel, and ensure Members input in forming the work programmes in order to ensure ownership.</li> <li>Make use of the regional and national good practice to steer the work programmes</li> </ul> | <b><i>Better results, better outcomes</i></b>                      |
| <b>Self-assessment of our local Scrutiny arrangements</b>  | <p>Members to continue to complete self-assessments, which includes identifying recommendations to improve the current scrutiny arrangements:</p> <ul style="list-style-type: none"> <li>As part of the process of preparing the Scrutiny Annual Report.</li> </ul>  | <b><i>Better outcomes</i></b>                                      |

| Theme  | How  | Desired Outcome <sup>1</sup>                                       |
|--|--|--|
|  | <ul style="list-style-type: none"> <li>To assess the results and the impact of our scrutiny panels.</li> </ul>   |  |
| <b>Raising awareness/sharing information</b> | <ul style="list-style-type: none"> <li>Revise the information regarding the Council's scrutiny arrangements on the Council's website, and amend in order to: <ol style="list-style-type: none"> <li>Ensure that Elected Members can succeed in their role</li> <li>Enable the voice of individuals and stakeholders to have a prominent place in the scrutiny process, through providing complete and most recent information to them</li> </ol> </li> </ul> | <b><i>Better decisions, better outcomes, better engagement</i></b> |

## 6.0 CONTACT SCRUTINY

6.1 To find out more about scrutiny in Anglesey or to give your views please contact:

Scrutiny Unit,  
Isle of Anglesey County Council,  
Council Offices.  
Llangefni.  
Anglesey.  
LL777TW

|              |  |  |
|--------------|--|--|
| Anwen Davies | Scrutiny Manager (leading on supporting the Corporate Scrutiny Committee)                    | (01248) 752578<br><a href="mailto:AnwenDavies@ynysmon.gov.uk">AnwenDavies@ynysmon.gov.uk</a> |
| Sioned Rowe  | Scrutiny Officer (leading on supporting the Partnership and Regeneration Scrutiny Committee) | (01248) 752039<br><a href="mailto:SionedRowe@ynysmon.gov.uk">SionedRowe@ynysmon.gov.uk</a>   |

**Overview and Scrutiny  
Annual Report: 2019/20**

**APPENDICES**

# WHAT IS OVERVIEW AND SCRUTINY? National policy context

### **National context:**

Scrutiny committees form part of the way in which local government in Wales operates. As well as establishing a decision making executive, the Local Government Act 2000 requires one or more scrutiny committees. Their primary role is to hold decision-makers to account, drive improvement, act as the voice of the community and play a role in policy development and review.

The Centre for Public Scrutiny (CfPS)<sup>2</sup> advocates four key principles in support of effective Member scrutiny:

- i. Provide “critical friend” challenge to executive policy makers and other decision makers
- ii. Enable the voice and concerns of the public and its communities to be heard
- iii. Be carried out by “independent minded governors” who lead and own the scrutiny process
- iv. Is evidence based and drives improvement in public services.

In January 2017, the Welsh Government published a White Paper entitled “Reforming Local Government: Resilient and Renewed”. The White Paper sought views on proposals for mandatory regional working to deliver a range of services, address workforce issues and implement electoral reform. Welsh Government published a subsequent Green Paper<sup>3</sup> last year explaining its ambitions and proposes a statement of intent for a stronger and more empowered local government in Wales. These proposals set out an approach for the future of local government “to deliver stronger, more resilient and sustainable public services with democratic accountability at its core”<sup>4</sup>. It is anticipated that specific proposals will also be developed relating to Member scrutiny functions both within the local context and also in holding to account services delivered through regional arrangements. It will therefore be necessary for us to continually develop our local scrutiny framework and arrangements in response to the proposed new legislation and evolving national policy context. The Local Government Bill is anticipated later this year.

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<sup>2</sup> Good Scrutiny Guide, Centre for Public Scrutiny 2004

<sup>3</sup> Strengthening Local Government: Delivering for people (20 March, 2018)

<sup>4</sup> Strengthening Local Government: Delivering for people (20 March, 2018, p.2)

### REMIT AND MEMBERSHIP OF OUR SCRUTINY COMMITTEES

The overview and scrutiny function at the Isle of Anglesey County Council continues to be delivered through a structure comprising of two parent scrutiny committees - Corporate Scrutiny Committee and the Partnership and Regeneration Scrutiny Committee.

#### Corporate Scrutiny Committee

##### Remit:

- The focus of work of the Corporate Scrutiny Committee is to provide assurance regarding the performance and delivery of all services; ensure the council achieves its corporate and service objectives (as outlined in the Corporate Plan, Annual Budget, Budget and Policy Framework, Performance Management Framework, Corporate Policies or their successor plans and policies); and to support and make recommendations for continuous improvement.
- Members of the Corporate Scrutiny Committee hold preparation meetings in advance of every committee in order to prepare and focus discussion at the formal meetings of the committee. This is regarded as good practice and it is intended to continue with these arrangements in 2020/21.











##### Membership

- The Corporate Scrutiny Committee is chaired by Councillor Aled Morris Jones and supported by Vice Chair Councillor Dylan Rees. Ten Elected Members sit on the committee<sup>5</sup> with provision for 4 co-opted members:

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<sup>5</sup> Councillor membership of the Scrutiny Committees reflect the political balance of the Council

## Membership of the Corporate Scrutiny Committee

|   | <b>Name</b>                        | <b>Ward</b> | <b>Political Party/Group</b> |  | <b>Name</b>                     | <b>Ward</b>    | <b>Political Party/Group</b> |
|---|------------------------------------|-------------|------------------------------|--|---------------------------------|----------------|------------------------------|
|    | Cllr Aled Morris Jones<br>( Chair) | Twrcelyn    | Anglesey Independents        |    | Cllr Dylan Rees<br>(Vice-chair) | Canolbarth Môn | Plaid Cymru                  |
|    | Cllr Lewis Davies                  | Seiriol     | Plaid Cymru                  |    | Cllr John Griffith              | Talybolion     | Plad Cymru                   |
|    | Cllr Alun Roberts                  | Seiriol     | Plaid Cymru                  |    | Cllr Nicola Roberts             | Canolbarth Môn | Plaid Cymru                  |
|   | Cllr Richard Griffiths             | Twrcelyn    | The Independent Group        |   | Cllr Richard O Jones            | Twrcelyn       | The Independent Group        |
|  | Cllr J Arwel Roberts               | Ynys Gybi   | Wales Labour Party           |  | Cllr Bryan Owen                 | Bro Aberffraw  | Anglesey Independents        |



## **PARTNERSHIP AND REGENERATION SCRUTINY COMMITTEE**







### **Remit:**

- The primary focus of the Partnership and Regeneration Scrutiny Committee is to ensure that the interests of the citizens of the Island are promoted, and that best use is made of Council resources, in line with the Council's priorities, that demonstrate added value from working with partners. The remit of the committee includes regional and national arrangements as well as local arrangements.
- The committee is also the nominated Crime and Disorder Committee dealing with crime and disorder matters, as required under Section 19 and 20 of the Police and Justice Act 2006. It is also the designated committee for scrutinising the work of the Ynys Môn and Gwynedd Public Services Board.
- The Committee has introduced a practice of holding briefing meetings with members prior to each formal scrutiny committee meeting. This is regarded as good practice and it is intended to continue with these arrangements in 2020/21.

### **Membership:**

- The Partnership and Regeneration Scrutiny Committee was chaired by Councillor Gwilym Jones and supported by Vice Chair Councillor Glyn Haynes. Ten members also sit on this committee with provision for 4 co-opted members:

## Membership of the Partnership and Regeneration Scrutiny Committee

|   | Name                           | Ward           | Political Party/Group |  | Name                              | Ward      | Political Party/Group |
|---|--------------------------------|----------------|-----------------------|--|-----------------------------------|-----------|-----------------------|
|    | Cllr Gwilym O Jones<br>(Chair) | Llifon         | The Independent Group |     | Cllr Glyn Haynes<br>(Vice- chair) | Caergybi  | Labour Party          |
|    | Cllr Dafydd Roberts            | Bro Rhosyr     | The Independent Group |    | Cllr Vaughan Hughes               | Lligwy    | Plaid Cymru           |
|   | Cllr Alun Roberts              | Seiriol        | Plaid Cymru           |   | Cllr Margaret Roberts             | Lligwy    | Plaid Cymru           |
|  | Cllr Nicola Roberts            | Canolbarth Môn | Plaid Cymru           |  | Cllr Trefor Lloyd Hughes          | Ynys Gybi | Plaid Cymru           |
|  | Cllr Kenneth P Hughes          | Talybolion     | Anglesey Independents |  | Cllr Robert Llewelyn Jones        | Caergybi  | Anglesey Independents |

Our scrutiny committees can undertake their work in one of the following ways:

- Consider a topic during a formal meeting
- Consider a topic in more detail by establishing a scrutiny outcome panel OR
- Conduct informal sessions on a particular area of policy.

Again during 2019/20, the scrutiny committees were aware of the need to seek to focus their work on outcomes and within the Wales Audit Office framework of characteristics and outcomes for effective local government overview and scrutiny<sup>6</sup>:

- Better outcomes
- Better decisions
- Better engagement

**Call-in of decisions:** Scrutiny committees can “call-in” a decision taken by either the Executive, Portfolio Holder or an officer to whom the Executive has been delegated with a specific decision making power. The scrutiny committees only exercise a “call-in” when there is good reason to do so (through a Test of Significance), and during 2019/20 this was exercised once, by the Corporate Scrutiny Committee. The Corporate Scrutiny Committee called in the following decision made by the Executive / Portfolio Holder:

**1. Executive Decisions**

- Anglesey Further Education Trust Annual Report and Accounts 2017/18.

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<sup>6</sup> Good Scrutiny? Good Question!, Wales Audit Office, 2014

### **A vision for delivering effective scrutiny in Isle of Anglesey County Council**

#### **Vision**

Scrutiny in Anglesey aims to secure better outcomes for citizens and communities and add to the effectiveness of the Council by helping make public services more transparent, inclusive, accountable and cost effective.

#### **Guiding Principles for Scrutiny in Anglesey**

- Scrutiny is characterised by an atmosphere of mutual trust, co-operation and shared responsibility for achieving the best outcomes for local communities.
- Non-Executive Members are non-political in carrying out their support and challenge roles.
- Scrutiny activity directly broadens the evidence base upon which decisions and programmes of transformational change are predicated by providing a view on how proposals are likely to resonate with local communities.
- Non-Executive Members help ensure that a strategic, long term approach is taken when major service reconfiguration is being considered by providing constructive challenge in testing assumptions, examining risks and challenging how resources are prioritised.

#### **Our Values**

#### **Overview and Scrutiny in Anglesey....**

- Is 'forward and outward' and proactive rather than 'inwards and reactive'.
- Has a clearly defined and valued role in the council's improvement and governance arrangements.
- Is non-political, methodologically sound and incorporates a wide range of evidence and perspectives including those from strategic partners, regulators and the public.
- Is led by councillors who have the training and development opportunities they need to undertake their role effectively.
- Receives effective support from the council's senior leadership team who ensures that information provided to overview and scrutiny is of high quality and is provided in a timely and consistent manner.
- Takes into account concerns expressed at ward level in a non-parochial way when managing its forward work programme.
- Is well planned, chaired effectively and makes best use of the resources available to it.

- Is recognised by the executive and senior leadership team as an important council mechanism for community engagement, and facilitates greater citizen involvement in governance.
- Builds trust and positive relationships with a wide variety of internal and external stakeholders.

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| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>   |  |
|--|--|
| <b>Report to:</b>  | <b>Audit and Governance Committee / County Council</b>   |
| <b>Date:</b>   | <b>1 September 2020 / 8 September 2020</b>   |
| <b>Subject:</b>  | <b>Annual Report of the Audit &amp; Governance Committee 2019/20 – Chair’s Report</b>  |
| <b>Head of Service:</b>  | <b>Marc Jones, Director of Function (Resources) / Section 151 Officer</b><br><b>01248 752601</b><br><a href="mailto:MarcJones@ynysmon.gov.uk">MarcJones@ynysmon.gov.uk</a> |
| <b>Report Author:</b>  | <b>Marion Pryor, Head of Audit and Risk</b><br><b>01248 752611</b><br><a href="mailto:MarionPryor@ynysmon.gov.uk">MarionPryor@ynysmon.gov.uk</a>                           |
| <b>Nature and Reason for Reporting:</b><br>The Audit and Governance Committee is required to report to ‘those charged with governance’ (the County Council) an assessment of its performance on its activities during the year to demonstrate how the Committee has discharged its responsibilities. |  |

## 1. Introduction

1.1. This report details the activities of the Audit and Governance Committee during 2019/20. The Audit and Governance Committee is an important element of the Council’s governance arrangements. Reporting on its activities helps demonstrate the Council is a well-managed authority which in turn contributes to ensuring that it is making the best use of its resources.

## 2. Recommendation

2.1. That the Audit and Governance Committee endorses the Annual Report of the Audit and Governance Committee for 2019/20 prior to its submission to the meeting of the County Council on 8 September 2020.

## Background Information

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1. The Audit and Governance Committee is a statutory Committee of the Council. It is a key component of the Council's governance framework providing independent and high level resource to support good governance and strong public financial management.
2. The Committee provides, to those charged with governance, independent assurance on the adequacy of the governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators, it makes an important contribution to ensuring that effective assurance arrangements are in place.

## Governance

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3. The core functions of an audit committee are to be satisfied that the authority's assurance statements, including the annual governance statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
4. The Committee received the draft Statement of Accounts and Annual Governance Statement for 2018/19 prior to their review by External Audit at its meeting of 23 July 2019. At its meeting of 3 September 2019, following receipt of External Audit's Report on the Financial Statements for 2018/19, the Committee resolved to accept and note the Statement of the Accounts and Annual Governance Statement for 2018/19. It recommended its acceptance to the Full Council and referred the Annual Governance Statement to the Leader of the Council and the Chief Executive to be signed, as statutorily required.
5. Other governance documents received during the year were:

### **Information Governance Annual Report 2018/19**

6. The report of the Director of Function (Council Business) / Monitoring Officer and designated Senior Information Risk Owner (SIRO) provided an analysis of the key information governance (IG) issues for the period and also included assurance of on-going improvement in managing risk to information during the period.
7. Following clarification around the costs of addressing the 1,052 Freedom of Information Act requests and whether the Council's transparency was sufficient in terms of the availability of information being a factor in the increase in the number of FOI requests, the Committee resolved to accept and adopt the report recommendations.



## **Concerns, Complaints and Whistleblowing 2018/19**

8. On 3 September 2019, the report of the Director of Function (Council Business)/Monitoring Officer provided information on issues arising under the Council's Concerns and Complaints Policy. The report also included Social Services complaints but only those where the complainant was not a service user.
9. The Committee accepted the report as providing reasonable assurance that the Council is compliant with the processes required under its Concerns and Complaints Policy and Whistleblowing Policy/Guidance and accepted and noted the Lessons Learnt Table within.

## **Policy Acceptance 2018/19**

10. On 3 September 2019, the report of the Director of Function (Council Business) / Monitoring Officer provided details of compliance for the second round of policies introduced for acceptance via the Council's Policy Portal management system as well as the Learning Service's compliance levels for the first round of policies. The report provided the Committee with assurance that individual members of staff are reading, understanding and formally accepting key Information Governance policies. The Committee accepted the assurance following further clarification of how compliance levels were monitored across the Council.

## **Annual Corporate Health and Safety Report 2018/19**

11. On 3 September 2019, the Corporate Health and Safety Advisor provided the Committee with assurance that the Council had appropriate arrangements for health and safety matters, by identifying the commitment, ability and direction of the management of occupational health and safety. The Committee, in discussing the report, sought clarification around RIDDOR incidents, responsibility for councillors' personal safety and the increase in violent incidents.
12. On 23 April 2019, the Committee also considered a follow-up report to the Corporate Health and Safety Annual Report for 2017/18. The follow-up report provided further analysis in connection with issues raised by the Committee when it was presented to it in February 2019, around the categories of Physical Assaults by Person and the apparent increase in the number of physical assaults and whether the upturn reflected an emerging trend.

## **Annual Cyber Security Report 2018/19**

13. On 3 December 2019, the IT Service and Performance Management Manager delivered his report, which summarised the cyber threats facing the Council and provided an overview of some of the mitigations the Council had in place to counter these threats. The Committee welcomed the report as instructive and in discussing the information, sought further assurance with regard to a number of matters including

partnership and collaborative working, IT induction and the Council's vulnerability to fraud.

### **Annual Insurance Report 2018/19**

14. On 23 July 2019, the Risk and Insurance Manager provided a summary of claims against the Council for the period 1 April 2014 to 31 March 2019. The report also provided a commentary on claim trends and future challenges.
15. Following clarification sought by the Committee around personal injury cover, reserves, public liability claims and learning lessons, the Committee accepted and noted the report.

### **Risk Based Verification Policy**

16. In December 2019, the Committee received a report from the Benefits Manager asking for the Committee's views about the Council's new policy, which sought to concentrate resources on checking those benefit cases where discrepancies/errors are likely to occur, before the Benefits Manager presented it to the Executive for approval. Following discussion around the methodology in terms of age range and a request for random sampling to be included, the Committee resolved to note the proposed Housing Benefit/Council Tax Reduction Risk Based Verification Policy with two recommendations.

## **Risk Management**

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17. In relation to risk management, the core functions of an audit committee are to consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that management is taking action on risk-related issues, including partnerships and collaborations with other organisations.
18. In addition, the Local Government Measure (Wales) 2011 includes a requirement for local authorities to appoint a Committee with responsibility to review and assess the risk management, internal control and corporate governance arrangements of the Council. The Audit and Governance Committee's terms of reference also charge it with fulfilling these requirements.
19. The Committee has continued to support the development of the Risk Management framework within the Council during the year and reviewed the Council's Risk Management Policy Statement at its meeting of 23 July 2019. It was resolved to accept the Risk Management Policy Statement as presented and to recommend its approval by the Executive.
20. The Committee considered the Council's corporate risks twice during the year, on 3 September 2019 and 11 February 2020 respectively. In September 2019, following clarification around how the Senior Leadership Team (SLT) would determine which

risks it would review each month, discussion around the tolerance of the three major risks, the term 'catastrophic' and management of these risks, and the timeframe for the introduction of measures to mitigate Brexit, the Committee took assurance that the risks to the Council's aims and objectives were being recognised and managed by the Senior Leadership Team.

21. In February 2020, following clarification around recognising the Coronavirus outbreak as a risk within the Corporate Risk Register and a request for an update about the Risk Verification Policy, the Committee took assurance that the Senior Leadership Team had recognised and was managing the risks to the achievement of the Council's priorities.

## Financial Statements

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22. In relation to financial statements, the Committee's core function is to review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.
23. The Committee received the draft pre-audit Statement of Accounts for 2018/19 at its meeting of 23 July 2019. Following clarification around the deterioration in school balances, teachers' pay pressures, the School Modernisation Programme, Pension Scheme Fund liabilities, debtors and the relationship with the Health Board, and provisions, the Committee resolved to note the draft unaudited financial statements for 2018/19.
24. On 3 September 2019, the Director of Function / Section 151 Officer reported to the Committee that the statutory deadline for the completion of the 2018/19 audited accounts had been met.
25. At the same meeting, the External Audit Engagement Lead for Financial Audit presented the report of External Audit on the audit of the Financial Statements for 2018/19 (ISA 260 report) for the Committee's consideration. The Engagement Lead confirmed that subject to the satisfactory completion of outstanding work, it was the Auditor General's intention to issue an unqualified audit report on the financial statements once the Authority had provided a Letter of Representation based on that set out in Appendix 1 to the report.
26. Following clarification of a payment to the Pension Fund (an immaterial misstatement), the Authority's approach to password security and password controls and outstanding external audit recommendations including segregation of duties, the Committee resolved to accept and to note the Statement of the Accounts for 2018/19. It also resolved to recommend its acceptance to the Full Council, to note External Audit's Report on the Financial Statements for 2018/19 and to approve the Annual Governance Statement for 2018/19 and to refer the Statement to the Leader of the Council and the Chief Executive to be signed.

## Treasury Management

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27. The audit committee also supports the Council by undertaking a wider role in reviewing and monitoring treasury management arrangements in accordance with Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (CIPFA, 2017).
28. In accordance with its terms of reference and the CIPFA Code of Practice for Treasury Management in Public Services (2011), the Committee considered the Annual Treasury Management Review of Activities Report for 2018/19. The Director of Function (Resources) presented the report for the Committee's consideration and scrutiny in line with regulations under the Local Government Act 2003 and the Council's Treasury Management Scheme of Delegation for 2018/19 on 23 July 2019.
29. Following clarification around the underspend on the capital budget and the Minimum Revenue Provision (MRP) policy, the Committee noted that the outturn figures in the report would remain provisional until the audit of the 2018/19 Statement of Accounts was completed and signed off; any resulting significant adjustments to the figures included in the report would be reported as appropriate. The Committee also noted the provisional 2018/19 prudential and treasury indicators in the report and accepted to recommend it to the Executive without comment.
30. The Committee also received a mid-year report on Treasury Management at its meeting of 3 December 2019 to monitor developments and trends. The Director of Function (Resources)/Section 151 clarified the Council's investment activities with an English Council recently reported in the press, which the Committee noted.
31. The Committee scrutinised the Council's Treasury Management Strategy Statement for 2019/20 on 11 February 2020. Following an observation about realising assets that were surplus to requirements, the Committee resolved to accept the Treasury Management Strategy Statement for 2020/21 and to recommend the Statement to the Executive without additional comments.
32. On 11 February 2020, the Director of Function (Resources)/Section 151 also presented a statement on the Authority's Treasury Management Practices in compliance with the CIPFA Code of Practice on Treasury Management (2017). Following clarification around the Council's general powers to invest, the Council's overdraft facility, credit rating of local authorities and details of the specialist Treasury Management Consultants/Advisory Service, the Committee endorsed the revised Treasury Management Practices and resolved to forward them to the Executive without further comment.
33. As part of the scrutiny of the above reports, the Committee reviewed the Council's risk exposure and its ability to manage risk in relation to its Treasury Management activities.

## Internal Audit

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34. In relation to the authority's internal audit functions, the Committee's core function is to oversee its independence, objectivity, performance and professionalism, support the effectiveness of the internal audit process and promote the effective use of internal audit within the assurance framework.
35. It also has a role in supporting effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encouraging the active promotion of the value of the audit process.
36. The Committee received the Head of Audit and Risk's Internal Audit Annual Report 2018/19 at its meeting of 23 April 2019. Following discussion around the issue of the Committee's own effectiveness and whether it could be regarded as being sufficiently proactive, the Committee resolved to accept the Head of Audit and Risk's overall audit opinion in relation to the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year ending 31 March 2019.
37. The Committee approved minor amendments to the Internal Audit Charter at its meeting of 3 September 2019.
38. The Committee noted the draft Internal Audit Strategy for 2020/21 at its meeting of 11 February 2020, accepting that the approach and priorities as outlined met the Council's assurance needs.
39. The Head of Audit and Risk reported outcomes of each audit assignment to each of the Committee's regular meetings as part of the internal audit update report. The reports also included the progress of services in implementing management actions to address 'Issues/Risks' raised by Internal Audit and, at six-monthly intervals, the Committee received a detailed report of all the outstanding 'Red' and 'Amber' rated 'Issues/Risks' raised by Internal Audit.

## External Audit

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40. The core functions of an audit committee are to consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control.
41. The Auditor General for Wales is the statutory external auditor of the Council. The Auditor General's role includes examining how the Council manages and spends public money, including how it achieves value in the delivery of public services and on how well the Council plans for improvement.
42. At its meeting of 23 April 2019, the Performance Audit Lead, on behalf of the Auditor General, set out the proposed Audit Plan for the 2018/19 audit year. It included the work proposed in relation to financial audit, an outline of the performance audit

programme and a timetable for the completion and reporting of the external audit work at the Authority. Following clarification that financial audit is delivered by Deloitte on behalf of the Auditor General and that the performance audit programme is delivered by Audit Wales, the Committee asked for future reports to differentiate between the areas of audit work in terms of the fees charged.

43. Audit Wales reported to the 23 July 2019 meeting that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2019/20 in relation to making arrangements to secure continuous improvement.
44. In July 2019, Audit Wales also presented an external audit report on the findings of its examination of the steps the Council is taking to meet its well-being objectives, namely to promote Anglesey to encourage major developers to invest in the Island. The Committee accepted the report as providing a positive assessment overall of the Council's work in applying the sustainable development principle in its approach to the promotion of Anglesey to encourage major developers to invest in the Island.
45. Deloitte, on behalf of the Auditor General, undertakes the financial audit work. It reported its intention to issue an unqualified audit report on the financial statements for 2018/19 to the 3 September 2019 meeting. Subsequently, the External Audit Annual Letter for 2018/19 along with the notice of the certification of the completion of the audit of the 2018/19 accounts was presented to the 3 December 2019 meeting for information.
46. The Committee has received and considered regular update reports from Audit Wales and Deloitte. This is an important aspect of the Committee's business to ensure that the Council considers all external reports, by either the Audit and Governance Committee or one of the Scrutiny Committees, and that it is taking appropriate action.

## Countering Fraud and Corruption

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47. The committee is required to review the effectiveness of the council's whistleblowing arrangements, including the policy, its counter-fraud and corruption strategy, actions and resources, fraud and corruption risks, and to oversee any major areas of fraud, and monitor action plans to address control weaknesses.
48. The Committee received the Director of Function (Council Business)/Monitoring Officer's report on issues arising under the Council's Concerns and Complaints Policy at its meeting on 3 September 2019 and took assurance that the Council is compliant with the processes required under its Concerns and Complaints Policy and Whistleblowing Policy/Guidance.
49. No reports of any major fraud committed against the Council were reported to the Committee during the year.
50. Internal Audit include an assessment of fraud risks during each audit, which were reported to the Committee regularly throughout the year. No major fraud risks were

identified. In addition, Internal Audit conducted a specific audit of the management of the risk of fraud during 2019/20 and reported reasonable assurance; however, this was not reported to the Committee until 2020/21.

## Frequency of Meetings

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51. To discharge its responsibilities effectively the Committee should meet regularly, at least four times a year, and have a clear policy on those items it will consider in private and those it will consider in public.
52. The Committee's terms of reference require it to meet a minimum of four times per year. During the year, the Committee met formally on five occasions, with a sixth meeting to appoint the Chair and Vice-Chair. The membership and attendance at meetings during 2019/20 is at [Appendix A](#).
53. The Committee's terms of reference provide for it to meet privately and separately with the external auditor and the Head of Audit and Risk if required, although there was no such requirement during 2019/20.

## Structure and Membership

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54. The Committee is independent of both the executive and the scrutiny functions and includes an independent member as required by legislation. It has clear rights of access to other committees/functions, and is directly accountable to the Council.
55. The Committee consists of eight members of the Council, which are politically balanced, plus a maximum of two co-opted Lay Members appointed by the Committee. The two co-opted Lay Members' tenure commenced in June 2017. Membership is objective, independent of mind, knowledgeable and has a mix of expertise.
56. Members are supportive of good governance principles and their practical application towards the achievement of organisational objectives. Members have unbiased attitudes and treat auditors, the executive and management fairly and have the ability to challenge the executive and senior managers when required.
57. At its meeting of 14 May 2019, the Committee elected Councillor Peter S Rogers as its Chairperson and Mr Jonathan Mendoza (Lay Member) as its Vice-Chairperson.
58. During the year, members have attended internal and external training, which is listed at [Appendix B](#), along with regular internal briefing sessions.
59. The Head of Function (Resources) / Section 151 Officer and the Head of Audit and Risk also attend every meeting of the Committee. The Chief Executive, and Head of Function (Council Business) / Monitoring Officer, and the appointed external auditor all



regularly attend. These officers are able to access the Committee, or the Chair, as required.

60. The Committee's Forward Work Programme for 2020/21 is at [Appendix C](#). This is subject to change due to the current emergency situation.

## Terms of Reference

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61. Good practice suggests that committees should periodically review their terms of reference for appropriateness. During 2018/19, following a full revision of the CIPFA guidance earlier that year to take account of legislative changes and professional developments, the Committee's terms of reference were substantially revised to update the core functions of the audit committee in relation to governance, risk management, internal control and audit.
62. The Committee, at its meeting on 3 December 2019, approved the existing terms of reference with only minor changes to update the Director of Function (Resources) and Section 151 Officer's job title.

## Effectiveness

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63. The Committee has mostly worked within its current terms of reference, which includes the requirements of the Local Government (Wales) Measure 2011 in relation to the role of the Audit and Governance Committee in monitoring risk management, governance and internal control within the Council.
64. Due to the current emergency situation, the self-assessment against the new CIPFA Audit Committees Practical Guidance for Local Authorities and Police (2018), which commenced in March 2020, has not been finalised. Depending on the emergency situation, it is hoped that it will be finalised during 2020/21.
65. Actions raised by the Committee and their resolution are detailed in the corporate action tracking system (4action) to identify responsibility, record and track the action.

## Chair's Remarks

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66. The Chair would like to express his gratitude to the Committee's Members for their attendance and contribution to the work of the Committee during the year.
67. The Chair would also like to express his gratitude to those Council employees who have attended and contributed to the meetings and, in particular, the Chair takes this opportunity to thank all the staff within the Finance and Internal Audit services whom he has found most helpful.



68. The Chair takes this opportunity to remind the Council of the importance of the work of the Committee, which is even more relevant in the current economic and emergency situation in terms of ensuring that the Council is run in a sound manner and that it obtains value for money.
69. The Committee is committed to continuing to work with Council employees in supporting continuing improvements in the Council's operations in 2020/21.

**COUNCILLOR PETER S ROGERS**  
**CHAIR OF THE AUDIT & GOVERNANCE COMMITTEE**  
**1 SEPTEMBER 2020**

## Appendix A – Frequency of Meetings and Attendance

| Members  | Meetings   |              |              |            |             |            | Number of Meetings Attended |
|--|------------|--------------|--------------|------------|-------------|------------|-----------------------------|
|  | 23/04/2019 | 14/05/2019   | 23/07/2019   | 03/09/2019 | 03/12/2019  | 11/02/2020 |                             |
| Cllr Peter S Rogers (Chair)                    | Yes        | Yes          | Yes          | Yes        | Apologies   | Yes        | 5/6                         |
| Mr Jonathan Mendoza (Lay Member) (Vice-Chair)  | Yes        | Yes          | Yes          | Apologies  | Yes (Chair) | Yes        | 5/6                         |
| Cllr Robert Ll. Jones                          | Yes        | Yes          | Yes          | Yes        | Apologies   | Yes        | 5/6                         |
| Cllr John Griffith                             | Yes        | Yes          | Yes          | Yes        | Yes         | Yes        | 6/6                         |
| Cllr Richard Griffiths                         | Yes        | Yes          | Not recorded | Yes        | Yes         | Yes        | 5/6                         |
| Cllr Gwilym O. Jones                           | Yes        | Yes          | Yes          | Yes        | Yes         | Yes        | 6/6                         |
| Cllr Dylan Rees                                | Apologies  | Yes          | Yes          | Yes        | Yes         | Yes        | 5/6                         |
| Cllr Alun Roberts                              | Apologies  | Yes          | Yes          | Apologies  | Yes         | Yes        | 4/6                         |
| Cllr Margaret M. Roberts                       | Yes        | Yes          | Yes          | Apologies  | Yes         | Yes        | 5/6                         |
| Mr Dilwyn Evans (Lay Member)                   | Yes        | Yes          | Yes          | Yes        | Yes         | Yes        | 6/6                         |
| Cllr Robin Williams (Finance Portfolio Holder) | Yes        | Not recorded | Yes          | Yes        | Yes         | Yes        | 5/6                         |
| <b>Total for Committee<sup>1</sup></b>         | <b>9</b>   | <b>10</b>    | <b>10</b>    | <b>9</b>   | <b>9</b>    | <b>11</b>  |                             |

<sup>1</sup> In accordance with the Committee's Terms of Reference, the committee will consist of eight elected members and two lay members. Elected members will be politically balanced and will not be members of the Executive, but the Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee.

## Appendix B – Training Attended by Members 2019/20

| Training                                   | Cllr Peter S Rogers (Chair) | Mr Jonathan Mendoza (Lay Member) (Vice-Chair) | Cllr Robert LI. Jones | Cllr John Griffith | Cllr Richard Griffiths | Cllr Gwilym O. Jones | Cllr Dylan Rees | Cllr Alun Roberts | Cllr Margaret M. Roberts | Mr Dilwyn Evans (Lay Member) |
|--|-----------------------------|---|-----------------------|--------------------|------------------------|----------------------|-----------------|-------------------|--------------------------|------------------------------|
| Equality Impact Assessment                 | 16/05/19                    |   |                       | 16/05/19           |                        |                      | 16/05/19        |                   |                          |                              |
| Cyber Awareness                            |                             |   |                       | 09/12/19           |                        |                      |                 |                   |                          | 29/07/19                     |
| Prevent                                    |                             |   |                       |                    |                        |                      |                 |                   |                          | 12/09/19                     |
| Domestic Abuse of Older People             |                             |   | 15/11/19              |                    | 08/10/19               |                      |                 |                   |                          |                              |
| Planning Matters Training                  |                             |   | 24/10/19              | 24/10/19           | 24/10/19               | 25/11/19             | 24/10/19        |                   | 24/10/19                 |                              |
| Treasury Management                        | 07/11/19                    | 07/11/19                                      | 07/11/19              | 07/11/19           | 07/11/19               | 07/11/19             | 07/11/19        | 07/11/19          | 07/11/19                 | 07/11/19                     |
| Safeguarding                               |                             |   |                       | 14/11/19           |                        |                      | 14/11/19        | 14/11/19          |                          |                              |
| General Data Protection Regulations        |                             |   |                       | 09/12/19           |                        |                      |                 |                   |                          |                              |
| CIPFA Development Day for Audit Committees |                             | 23/01/20                                      |                       |                    |                        |                      |                 |                   |                          | 23/01/20                     |
| National Approach to Statutory Advocacy    | 05/03/20                    |   |                       | 05/03/20           |                        |                      |                 | 05/03/20          | 05/03/20                 |                              |

## Appendix C – Proposed Forward Work Programme 2020/21

| Date                                    | Accounts   | Internal Audit  | External Audit  | Treasury Management                       | Risk Management                                     | Governance  | Other   |
|---|--|---|---|---|---|---|---|
| <b>April 2020</b><br><b>(Cancelled)</b> |  | Update Report (delayed)<br><br>Internal Audit Annual Report for 2019/20 (delayed) | Annual Plan 2020 (delayed)  |   |   |   | Annual Report of the Committee – Chair’s Report (delayed) |
| <b>May 2020</b><br><b>(Cancelled)</b>   |  |   |   |   |   |   | Election of Chairperson and Vice-Chairperson              |
| <b>June 2020</b><br><b>(Cancelled)</b>  | Draft Statement of Accounts 2019/20 (delayed)      |   |   |   |   | Draft Annual Governance Statement 2019/20 (delayed) |   |
| <b>July 2019</b>                        | Draft Statement of Accounts 2019/20                | Update Report (delayed)<br><br>Internal Audit Annual Report for 2019/20           | Annual Plan 2020<br><br>Annual Improvement Report 2019/20 (delayed) | Annual Treasury Management Review 2019/20 | Annual Review of Risk Management Strategy (delayed) | Annual Insurance Report 2019/20 (delayed)           |   |
| <b>September 2020</b>                   | Recommend for Approval of Council the Statement of | Update Report, including outstanding  | Report on Accounts to those charged                                 |   | Review of Corporate Risk Register (delayed)         | Annual Corporate Health and Safety Report           | Annual Review of the Audit and Governance Committee’s     |

| Date | Accounts   | Internal Audit  | External Audit            | Treasury Management | Risk Management | Governance   | Other   |
|------|--|---|---------------------------|---------------------|-----------------|--|---|
|      | Accounts 2019/20 and Annual Governance Statement | Internal Audit 'Issues/Risks'<br><br>Review of Internal Audit Charter (delayed) | with Governance (ISA 260) |                     |                 | 2019/20 (delayed)<br><br>Annual ICT Security Report 2019/20 (delayed)<br><br>Annual Information Governance report – report of the SIRO<br><br>Annual Complaints, Comments and Whistleblowing report – report of the Monitoring Officer<br><br>Annual Policy Compliance report – report of the Monitoring Officer | Terms of Reference (delayed)<br><br>Annual Report of the Committee – Chair's Report |

| Date                 | Accounts | Internal Audit  | External Audit  | Treasury Management  | Risk Management  | Governance  | Other   |
|----------------------|----------|---|-----------------|--|--|---|---|
| <b>December 2020</b> |          | Update Report<br><br>Review of Internal Audit Charter   | Progress Report | Mid-Year Review of Treasury Management Activity in 2020/21           | Review of Corporate Risk Register  | Annual Corporate Health and Safety Report 2019/20<br><br>Annual ICT Security Report 2019/20 | Annual Report on Fraud and Corruption<br><br>Annual Review of Audit Committee Effectiveness<br><br>Annual Review of the Audit and Governance Committee's Terms of Reference |
| <b>February 2021</b> |          | Draft Internal Audit Strategy 2021/22 for consideration<br><br>Update Report<br><br>Outstanding Internal Audit 'Issues/Risks' | Progress Report | Treasury Management Strategy 2021/22 including Prudential Indicators | Annual Review of Risk Management Strategy<br><br>Review of Corporate Risk Register (delayed) | Progress made on External Regulatory Reports<br><br>Annual Insurance Report 2019/20         |   |

| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b> |   |
|--|---|
| <b>Committee:</b>                      | <b>Democratic Services Committee</b>  |
| <b>Date:</b>                           | <b>30 July, 2020</b>  |
| <b>Title of Report:</b>                | <b>Democratic Services Committee Annual Report: 2019/20</b>                   |
| <b>Purpose of Report:</b>              | <b>Report on the work of the Democratic Services Committee during 2019/20</b> |
| <b>Author:</b>                         | <b>J Huw Jones, Head of Democratic Services</b>                               |

**1. Recommendation**

The **Committee is requested to:**

- R1** Accept the report and note the matters considered by the Committee during 2019/20.
- R2** Recommend the Annual Report for adoption by Full Council.

**2. Background and context**

- 2.1** This is the eighth annual report by the Democratic Services Committee since its establishment in 2012.
- 2.2** The Local Government (Wales) Measure 2011 places a duty on the Council to establish a Democratic Services Committee supported by the Head of Democratic Services. The main purpose of the Committee is to review the adequacy of provision within the Authority in terms of staff, accommodation and other resources to fulfil the duties and functions of Democratic Services. It is a requirement under the Measure that the Committee meets at least once per annum and to report on such matters to Full Council.
- 2.3** The Annual Report provides an overview of all matters discussed by the Committee during 2019/20 and provides details of any decisions made.
- 2.4** Also, the report outlines what the content of the Committee's work programme will be during 2020/21 in terms of the matters that will be given consideration which will provide the foundation for the Committee's work for the next year.

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| <b>Appendix :</b>                                       |
| Democratic Services Committee Annual Report for 2019/20 |

## CYNGOR SIR YNYS MÔN

|                           |   |
|---------------------------|---|
| <b>REPORT TO:</b>         | <b>County Council</b>   |
| <b>DATE:</b>              | <b>8 September, 2020</b>  |
| <b>TITLE OF REPORT:</b>   | <b>Democratic Services Committee- Annual Report 2019/20</b>                   |
| <b>REPORT BY:</b>         | <b>Cllr Robert Llewelyn Jones, Chair of the Democratic Services Committee</b> |
| <b>PURPOSE OF REPORT:</b> | <b>To report on the work of the Committee during 2019/20</b>                  |
| <b>CONTACT OFFICER:</b>   | <b>Huw Jones (Head of Democratic Services)</b>                                |
| <b>E-mail:</b>            | <b>Jjones@ynysmon.gov.uk</b>  |
| <b>Phone:</b>             |   |

### 1. Introduction

The Local Government (Wales) Measure 2011 places a duty on the Council to establish a Democratic Services Committee supported by the Head of Democratic Services. The main purpose of the Committee is to review the adequacy of provision within the Authority in terms of staff, accommodation and other resources to fulfil the duties and functions of Democratic Services. Under the Measure, the Committee is obliged to meet at least once per annum and to report on such matters to Full Council.

This is the eighth annual report by the Committee since its establishment in 2012.

### 2. Members' Professional Development

Supporting Elected Members is essential in order for them to fulfil their duties in terms of supporting and fully representing their communities, making decisions, and monitoring the Council's performance in the best interests of their constituents, to effectively represent the Council, to ensure internal governance and ethical standards, as described in the Role Description for Elected Members.

In order to develop and expand on the skills and knowledge of Members, there exists a Members Training and Development Plan which outlines all the development and training opportunities on offer for them throughout the year. The document is reviewed regularly in order to meet the needs of all Members, and responds to the requirements identified in the Councillors Personal Development Reviews. The Development Plan is submitted quarterly to the Standards Committee and the Democratic Services Committee in order for specific officers to identify specific or appropriate development inputs.

In the same manner, monthly briefing sessions for Members are held on specific topics, in order to ensure that they acquire knowledge on transformational and strategic matters within the Council which is crucial for them in order to fulfil their roles and duties.

### 3. Work Programme of Committee

This report summarises the issues discussed by the Committee during 2019/20 and also provides commentary on current status.

In general, the Committee has focused on the following areas:

- The Member Development and Training Plan including Personal Development Reviews;



- Webcasting of meetings;
- Members Annual Reports
- Independent Remuneration Panel Annual Report;
- Member related issues including - Wales Charter for Member development and support
- Relevant Welsh Government consultations including electoral arrangements.

A total of 4 meetings of the Committee were held during the past 12 months.

The table below summarises the issues discussed at each meeting during the past year.

| Date of Committee | Subject  | Current Status   |
|-------------------|--|--|
| 14 May 2019       | Election of Vice-Chairperson   | This meeting was held to elect the Vice-Chairperson for 2019/20.   |
| 25 September 2019 | Local Democracy and Boundary Commission for Wales- Electoral Review 2019- Anglesey | <p>The Head of Democratic Services submitted a report, which addressed the following matters in particular:</p> <ul style="list-style-type: none"> <li>i. The details in terms of establishing a cross party panel which included 8 Members to develop proposals and make recommendations, with the Panel meeting on four occasions between July and September 2019 to develop proposals.</li> <li>ii. It was noted that stakeholders are requested to submit their initial proposals to the Commission by 10 October 2019, and that the full Council will approve the recommendations before then.</li> <li>iii. It was outlined that the Commission, following accepting the initial proposals, would develop and publish its draft proposals for Spring 2020, with the final recommendations presented to Welsh Government in Winter 2020, following a consultation period.</li> <li>iv. The changes will be implemented across Wales in time for the 2022 local elections.</li> <li>v. Even though the Commission's methodology recommended an Authority of 33 Members based on 1 Member to 1,549 electors, the Panel concluded that it is appropriate to increase the number of Members to 35 with 14 electoral divisions. This conclusion was reached by following the Panel's criteria, and revising the current arrangements in terms of the number of Members, the wards and their</li> </ul> |

|  |                              |  |
|--|------------------------------|--|
|  |                              | <p>boundaries, as well as the number of Members in every ward.</p> <p>vi. The County Council accepted the recommendation of the Democratic Services Committee on 7 October, 2019 as the Council's initial response.</p> <p>vii. It was noted that this Committee will need to consider the Commission's draft proposals in spring 2020, and make recommendations to the County Council.</p>  |
|  | <p>Member Development</p>    | <p>A progress report was submitted on the Member training and development plan including e-learning modules. In terms of e-learning, developments have taken place in relation to the NHS E-Learning Platform, which will result in the system becoming more user friendly, and training will also be easier to complete on ipads. It was noted that the IT Service have produced a handbook for Members which is available on MonITor, and that drop-in sessions had been arranged to assist Members with any ICT issues.</p> <p>It was emphasised that the plan is an evolving document that is reviewed and adapted regularly to meet the training needs of Elected Members, following input from the Senior Leadership Team, Group Leaders, Welsh Local Government Association and other external agencies.</p> <p>The Member Training and Development Plan was accepted, and it was agreed to circulate a copy of the Plan to the Standards Committee and the Democratic Services Committee every quarter. It was also decided to ask Group Leaders to remind Members of the need to attend mandatory training sessions and other training sessions.</p> <p>A further update was submitted to the Committee on 10 December, 2019.</p> |
|  | <p>Member related issues</p> | <p>The report covered the following matters:</p> <ul style="list-style-type: none"> <li>• The report noted that 28 Members had completed and published their Annual Reports for 2018/19 on the Council's website.</li> <li>• It was reported that the County Council had received the Welsh Local Government Association Wales Charter for Member Support and Development and that an official certificate was presented to the Council. The Charter was formally presented to the Council in July for a period of three years.</li> </ul>   |

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|                         | Committee Work Programme 2019/20  | The Committee's work programme was submitted. This report summarised the matters for the Committee's consideration in 2019/20 (these are outlined under point 3 above).  |
| <b>10 December 2019</b> | Member Development  | The report provided an update on the progress in terms of delivering the training plan and development opportunities offered to Elected Members since the report submitted on 25 September 2019. The intention of completing Personal Development Reviews by mid-March, 2020 was noted, in order to include them within the Member Development Plan for 2020/21. The Committee accepted the report.  |
|                         | Independent Remuneration Panel for Wales- Draft Annual Report for 2020/21 | The Panel's Draft Annual Report for 2020/21 has been published for consultation which closes on 10 December, 2019. The Committee was requested to consider the draft decisions within the report, and whether it wishes to respond to the consultation. The final report was published in February 2020.   |
| <b>30 January, 2020</b> | Review of Polling Districts and Polling Stations                          | <p>The report addressed a number of aspects in terms of Reviewing Polling Districts and Polling Stations, including the below in particular:</p> <ul style="list-style-type: none"> <li>• It was noted that a preliminary review by the Acting Returning Officer of the polling districts, polling places, and polling stations within the Ynys Môn area had been undertaken, and in respect of the parliamentary constituency, with a view to establishing their suitability, and identify any potential alternatives where considered appropriate.</li> <li>• Whilst assessing current arrangements, the location, size, availability and accessibility of polling places and stations were considered. The appropriateness of some of the polling stations used for elections held in 2019 were considered.</li> <li>• The review was undertaken from 5 June 2019- January 2020, with an opportunity for stakeholders to comment on the Acting Returning Officer's recommendations.</li> <li>• The Committee was requested to confirm arrangements as noted in the Appendix which formed part of the report, and recommend to the County Council to accept in the same manner.</li> </ul> |

**Looking forward to 2020/21:**

The Democratic Services Committee will focus on the following areas for 2020/21:

- The Member Development and Training Plan including Personal Development Reviews
- Webcasting of meetings
- Members Annual Reports
- Independent Remuneration Panel Annual Report
- Member related issues including - Wales Charter for Member development and support
- Relevant Welsh Government consultations including electoral arrangements.

**Recommendation:**

The County Council is requested to accept the report and note the matters considered by the Committee during 2019/20.

**Cllr Robert Llewelyn Jones**  
**Chair of the Democratic Services Committee**  
**(08.07.2020)**