

THE EXECUTIVE

Minutes of the Virtual meeting held on 14 December 2020

- PRESENT:** Councillor Llinos M Huws (Chair)
Councillor Ieuan Williams (Vice-Chair)
- Councillors R Dew, Carwyn Jones, R Meirion Jones, Alun Mummery, Bob Parry OBE FRAGS, Dafydd Rhys Thomas, Robin Williams.
- IN ATTENDANCE:** Chief Executive,
Deputy Chief Executive,
Director of Function (Resources)/Section 151 Officer,
Director of Function (Council Business)/Monitoring Officer,
Director of Education, Skills and Young People,
Interim Head of Regulation and Economic Development,
Head of Democratic Services,
Commercial Leisure Manager (for item 6),
Committee Officer (MEH).
- ALSO PRESENT:** Councillors Glyn Haynes, T LI Hughes MBE, Dafydd Roberts.
- APOLOGIES:** None

1 **DECLARATION OF INTEREST**

Councillor Richard A Dew declared a personal and prejudicial interest in respect of Item 5 – Council Tax Premiums – Second Homes and Long-Term Empty Property (Review) and left the meeting during discussion and voting.

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

None received.

3 **THE EXECUTIVE'S FORWARD WORK PROGRAMME**

The report of the Head of Democratic Services incorporating the Executive's Forward Work Programme for the period January to August, 2021 was presented for consideration and the following changes were noted:-

Special Meeting of the Executive to be convened on 18 January, 2021 to finalise the Executive's final draft budget proposals for consultation.

Items re-scheduled

Item 22 – Introducing Galw Gofal – Care Connect charges for Council Housing Tenants (scheduled to be discussed at the 22 March, 2021 meeting – to be confirmed)

Item 4 – Anglesey Further Education Trust Annual Report and Accounts 2019/20 (scheduled to be discussed at the 25 January, 2021 meeting)

Item 5 – Llangefni Golf Course (rescheduled to be discussed from 25 January, 2021 to 15 February, 2021).

It was resolved to confirm the Executive’s updated Forward Work Programme for the period January to August, 2021 as presented.

4 TREASURY MANAGEMENT MID-YEAR REVIEW 2020/21

The report of the Director of Function (Resources)/Section 151 incorporating the Treasury Management Mid-Year Review Report was presented for the Executive’s consideration.

The Portfolio Member for Finance reported that the Treasury Management Mid-Year Review report is presented in accordance with regulations issued under the Local Government Act 2003 and with the Council’s Treasury Management Scheme of Delegation 2020/21 (Appendix 8 of the Treasury Management Strategy Statement 2020/21). The report refers to the Council’s capital expenditure position and compliance with prudential indicators and its investment and borrowing activity half-way through the financial year. In accordance with the Scheme of Delegation, the report was scrutinised by the Audit Committee at its meeting held on 1 December, 2020. The report will be presented to the Full Council taking into account any comments made thereon by the Executive.

The Director of Function (Resources)/Section 151 Officer highlighted the following –

- That the mid-year review report has been scrutinised by the Audit and Governance Committee and was accepted without additional comment by that Committee.
- There were concerns at the beginning of the financial year as regards to cash flow due to the Covid-19 pandemic and the effect on the Council’s ability to pay for services. The Council borrowed £10m in March from PWLB to assure that resources were available for the Council to function. However, due to financial support from Welsh Government the situation improved as WG supported the business grants and the RSG payment was afforded before the deadline. This has resulted in the Council holding balances of £50m which is above the limit approved within the Annual Investment Strategy included in the TMSS 2020/21. The Council has during the first half of the financial year afforded loans to other Local Authorities as noted within the report, as it is the most secure way of investing funds, ensure that the sums deposited in call accounts stayed within the limits set in the TMSS 2020/21 and give a greater rate of return than most bank call accounts. The current financial holding balance is £30m but the £10m borrowed in March 2020 will need to be repaid in March 2021.
- It is anticipated that the Council will need to borrow money to pay for new refuse collection vehicles as part of the new refuse collection contract in March 2021.
- The capital expenditure plans is lower as projects have not progress due to the pandemic;
- The Council complied with the limits and prudential indicators set out in the TMSS 2020/21.

It was resolved to note the content of the report and to forward the report to the Full Council without further comment.

5 COUNCIL TAX PREMIUMS - SECOND HOMES AND LONG-TERM EMPTY PROPERTY (REVIEW)

The report of the Director of Function (Resources)/Section 151 Officer reviewing the operation of the Council Tax Premium on Second Homes and Long-Term Empty Properties was presented for the Executive's consideration.

The Portfolio Member for Finance reported that a decision was made to increase the higher amount of council tax (called a Council Tax premium) which would come into effect from 1 April 2019. From this date, the full Council agreed to set the Council Tax premium at 100% of the standard rate of council tax for long-term empty dwellings and at 35% for dwellings occupied periodically, usually known as second homes. He noted that during this year a number of properties has 'flipped' from being registered to pay council tax to business rates which results in the owners not having to pay any rates. The Council has written to Welsh Government to review the existing regulations of taxation in order to reduce the number of homes being registered for business rates but WG has disregarded the request as they considers that this is not an issue. The Portfolio Member for Finance also called for WG to use their powers and amend the land transaction tax to ensure that the level is higher for second homes and to consider a tourist tax as is in place in other parts of the world to draw funding to address the pressure on services within local authorities that sees their population increasing especially during the summer months. He further noted that self-catering facilities being eligible for Small Business Rate Relief often results in no contribution into the local authorities.

The Portfolio Member for Finance said that the decision of the Executive is not to increase the Council Tax Premium for Second Homes and Long-Term Empty Properties for the next financial year 2021/2022 but it is an intention to increase the premium for second homes to 50% from April 2022. He said that continued pressure needs to be put on Welsh Government to review the existing regulations and to introduce new methods of taxation in order to reduce the number of second homes on the Island and to provide additional funding to help support local projects aimed at helping the young people of Anglesey to be able to buy or rent their own home on the Island.

The Director of Function (Resources)/Section 151 Officer reported that the purpose of the report was to review the Council Tax premium since the full Council's last decision of 27 February, 2019 and also having regard to the impact of the Covid-19 pandemic on the Council's Council Tax base and movements from the Council Tax Valuation List to the Business Rating List and in particular for second homes/holiday lets. He said that there has been an increase in empty homes during the pandemic but this is a result of people unable to renovate/sell their properties. The number of second homes on the Island has stayed the same at a consistent level despite the fact that 221 properties have transferred to business rates and have been removed from the Council Tax Valuation List between April – October this year. He further said that the number of properties paying the standard Council Tax had fallen. Properties in Band C and above were becoming second homes but these loss in numbers were being partly offset by the Authority building social housing. However, the new properties tended to be in Bands A and B and this has resulted in an erosion of the standard council tax taxbase. The movement of properties from Council Tax to Business Rates has resulted in an estimated reduction of £700,000 in Council Tax revenue, although part of this sum relates to refunds paid back to taxpayers for any Council Tax paid relating to period after the effective date of transfer of the property. It was also

said that following the increase from 25% to 35% on the premium for second homes has not resulted in a large number of people refusing to pay the increase with only a few appeals been dealt with nor had it resulted in an increase in arrears. During the Covid-19 pandemic there has been an increase in owners of second homes appealing that they are unable to come to their second homes and requesting an exemption from the premium for the period of the lockdown. The Council's view was that being unable to travel to their property was not a valid reason to grant an exemption and all appeals have been refused. This has been accepted by the vast majority and they have continued to pay the premium charged.

The Director of Function (Resources)/Section 151 Officer further reported that the Council approved a policy for implementation of two schemes to support first time buyers onto the housing ladder, to be funded from a proportion of the Council Tax Premium from both long term empty properties and second homes.

The Portfolio Member for Housing Services said that the two schemes referred to is a grant to help first time buyers to purchase and renovate an empty home and an equity loan to help first time buyers to afford a property. It is evident that the scheme has been successful as the demand surpassed the funding allocated by the Council and has seen young people being able to purchase a home in their local communities.

Members of the Executive reiterated the need to put pressure on Welsh Government to review the existing regulations and to introduce new methods of taxation to reduce the number of second homes on the Island which is causing the young people of Anglesey unable to afford a home in their own communities.

- **To note the content of the report reviewing the operation of the Council Tax Premium since the Isle of Anglesey County Council's decision on 27 February 2019 to increase the Council Tax premiums from 1 April, 2019 to 100% for long term empty property and 35% for second homes;**
- **To note the impact of the Covid-19 pandemic on the Council Tax base and Council Tax premiums;**
- **To continue to put pressure on Welsh Government to review the existing regulations and to introduce new methods of taxation in order to reduce the number of second homes on the Island and to provide additional funding to help support local projects aimed at helping the young people of Anglesey to be able to buy or rent their own home on the Island;**
- **To announce the intention to increase the premium on second homes to at least 50% from April 2022;**
- **That additional resources will be allocated to the Resources Function in order to ensure that all property owners who should pay the premium are identified and made to pay the tax in full;**
- **That the balance of the additional funding generated from increasing the premium will be directed towards schemes that will help local people to be able to afford to buy or rent a property on the Island;**
- **That the Council will undertake a full consultation on its intention to increase the premium on second homes to 50% and its additional schemes to help local people, with the residents of Anglesey, owners of second homes on the Island and operators of self-catering**

accommodation, between April and June 2021 with the final decision on the level of premium to be taken by the Executive in September 2021.

6 SPORTS NORTH WALES - BUSINESS CASE

The report of the Interim Head of Regulation and Economic Development seeking support to the establishment of a Sport North Wales Partnership was presented for to the Executive's consideration.

The Portfolio Member for Major Projects and Economic Development said that this is the Business Case to create Sports North Wales Partnership. The vision for Sports North Wales has been developed through a new collaborative partnership that is made up of a number of well-established organisations who operate across the region and share a collective ambition to work together and to make significant change and impact which will benefit the people of North Wales.

The Commercial Leisure Manager reported that it is envisaged that Sports North Wales will be firmly established as an effective and robust regional body. Sports North Wales will add value and drive change in community commissioning and delivery by working closer with and within those communities. The Partnership will tackle health issues within local communities due to obesity and especially children of pre-school age. He noted that Conwy Council will be the lead Authority as regard to the Sports North Wales Partnership and the legal department of this Authority has been working closing as regards to the Business Case. He further said that a Welsh Language policy is to be established by the Sports North Wales Partnership but there is a risk that the policy is not in place at present.

The Executive supported the establishment of a Sports North Wales Partnership but expressed concerns that a Welsh Language policy needs to be in place and having Officers at present who are Welsh speaking does not secure the language requirement for future years.

- **To support, in principle, the establishment of a Sports North Wales Partnership;**
- **To afford delegated powers to the Director of Function (Council Business)/Monitoring Officer to complete the IAA in consultation with the Leader and Chief Executive and to bring the matter back to the Executive if there is any concern that the IAA will compromise the Council's Welsh language requirements.**

The meeting concluded at 11.15 am

**COUNCILLOR LLINOS M HUWS
CHAIR**