

THE EXECUTIVE

Minutes of the virtual meeting held on 24 January 2022

- PRESENT:** Councillor Llinos Medi (Chair)
Councillor Ieuan Williams (Vice-Chair)
- Councillors Richard Dew, Carwyn Jones, R. Meirion Jones, Alun Mummery, R.G. Parry, OBE FRAgS, Dafydd Rhys Thomas, Robin Williams.
- IN ATTENDANCE:** Chief Executive
Deputy Chief Executive
Director of Function (Resources) & Section 151 Officer
Director of Education, Skills and Young People
Director of Social Services
Head of Housing Services
Head of Adults' Services
Head of Profession (HR) and Transformation
Service Manager (Housing Strategy, Commissioning and Policy) (ELI)
Scrutiny Manager (AGD)
Policy Officer (RWJ)
Committee Officer (ATH)
- APOLOGIES:** None
- ALSO PRESENT:** Councillors Glyn Haynes, Dylan Rees, Dafydd Roberts, Mr Eryl Crump (Local Democracy Reporter)

1 DECLARATION OF INTEREST

No declaration of interest was received.

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

None to report.

3 MINUTES

The minutes of the previous meetings of the Executive held on 29 November, 2021 and 13 December, 2021 were presented for confirmation.

It was resolved that the minutes of the previous meetings of the Executive held on the following dates be approved as correct –

- 29 November, 2021
- 13 December, 2021

4 CORPORATE PARENTING PANEL

The draft minutes of the meeting of the Corporate Parenting Panel held on 7 December, 2021 were submitted for adoption.

It was resolved that the draft minutes of the meeting of the Corporate Parenting Panel held on 7 December, 2021 be adopted.

5 THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Interim Head of Democratic Services incorporating the Executive's updated Forward Work Programme for the period from February to September, 2022 was presented for the Executive's consideration and the following changes were highlighted –

- Item 2 – Anglesey Further Education Trust Annual Report and Accounts 2020/21 which is a new item for the Executive's 14 February, 2022 meeting.
- Item 6 – Road Maintenance and Highways Asset Management Policy which is to be re-scheduled to a date to be confirmed.
Items 8 -18 (Budget setting and Budget monitoring related) confirmed for the Executive's 3 March, 2022 meeting.
- Item 23 – Population Needs Assessment: Social Services and Well-being (Wales) Act 2014 which is to be re-scheduled from the Executive's 14 February, 2022 meeting to its 21 March, 2022 meeting
- Item 36 to 38 – Quarterly Performance Monitoring reports which are new items for the Executive's September, 2022 meeting.
- Item 39 – Social Services Improvement Progress Report which is also a new item for the Executive's September, 2022 meeting
- Renting Homes (Fees etc.) (Wales) Act 2019 – implementation arrangements – a new item not on the published work programme requested for the Executive's 14 February, 2022 meeting.

It was resolved to confirm the Executive's updated forward work programme for the period January, to August, 2022 with the additional change outlined at the meeting.

6 DRAFT REVENUE BUDGET 2022/23

Councillor Robin Williams, Portfolio Member for Finance presented the report by the Director of Function (Resources)/Section 151 Officer setting out the Executive's provisional revenue budget for 2022/23.

The provisional settlement for Local Government in Wales announced on 21 December, 2021 shows an increase of £456m in the overall level of funding for Wales which is equivalent to a 9.8% increase in cash terms. For Anglesey, the increase in comparison to the Aggregate External Funding (AEF) in 2021/22 is £9.74m or 9.27%. While the increase is to be welcomed and provides the Council with an opportunity to invest in services for the first time in many years, the positivity has to be caveated by what the 2022/23 provisional settlement says about subsequent years with an indicative rise of 3.5% in the AEF for Wales indicated for 2023/24 which would still make it possible to continue to invest in services should that increase be replicated for Anglesey before the position begins to worsen again in 2024/25. The figures presented include estimated provision for pay awards regarding which there remains an element of uncertainty - and other staffing pressures, non-pay inflation, movement in pupil numbers, levies including for the newly established North Wales Corporate Joint Committee, capital financing charges and contingencies. The budget has been developed to also allow for funding expectations from Welsh Government

where the AEF is expected to cover other cost pressures in 2022/23 for which no extra funding will be provided by Welsh Government. These include payment of the Real Living Wage to care staff, homelessness prevention; managing the ongoing impact of the Covid pandemic and new duties arising from the Local Government and Elections (Wales) Act 2021 and are set out in more detail in section 4.8 of the report. The settlement provides the Council with an opportunity to address some of the service related risks and issues that have arisen as a result of a long period of austerity during which capacity and provision have been reduced. Table 2 summarises the proposed investment in services although these proposals will be further examined before the adoption of the final budget proposal in March, 2022.

After taking account of the provisional settlement from Welsh Government and the main budget changes (before any change in Council Tax) the starting point for the 2022/23 budget is a shortfall of £859k which it is proposed be funded by a 2% increase in Council Tax (likely to be among the lowest increases in Wales) taking the Band D charge to £1,367.46. The proposed net revenue budget for 2022/23 is £158.365m.

The Director of Function (Resources)/Section 151 Officer reported that the main financial risks to highlight for the budget are summarised in section 6.5 of the report; these are not covered in the budget or potentially are only partly addressed and they relate to Covid costs and potential loss of income although it is hoped Welsh Government would step in to provide support should the Covid situation deteriorate significantly; uncertainty around the final staff pay award; general inflation with rising prices affecting the cost of purchased goods and services which is mitigated in part by the protection afforded by long-term contracts; fluctuations in service demand; the reduction and/or loss of grant income and additional duties and costs in establishing the new Port Health Authority. Discussions are also ongoing regionally with regard to agreeing certain elements of residential and care home fees. The initial budget proposal reflects the resources required to operate services at 2021/22 level but updated to take account of known changes and costs in 2022/23. The forecast for 2023/24 and beyond is more uncertain because of the uncertainty around inflation rates although based on the information available as referred to in paragraph 7.2 of the report it is likely that investment will still be possible in 2023/24 while the indicative 2.4% increase in AEF in 2024/25 would require a 2% Council Tax increase just to cover costs.

Councillor Dylan Rees, Vice-Chair of the Corporate Scrutiny Committee reported from the Committee's meeting earlier in the day at which the initial revenue budget proposal for 2022/23 had been scrutinised. He confirmed that having considered all the information presented both written and verbally at the meeting as well as feedback from the Finance Scrutiny Panel, the Committee had resolved to recommend the initial draft revenue budget proposal for 2022/23 to the Executive to include a 2% increase in Council Tax in order to create a balanced and prudent budget, with no votes being cast against the proposal but with two abstentions. The Committee had likewise welcomed the opportunity which the settlement provides to invest in services in the forthcoming year.

Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel confirmed that the Panel shared the conclusions of the Corporate Scrutiny Committee and that it deemed the initial draft revenue budget proposal for 2022/23 to be reasonable and based on sound estimates; the Panel also acknowledged the risks around the budget as identified in the Section 151 Officer's report.

The Executive collectively welcomed the opportunity which the provisional settlement provides to make much needed investment in services after a very long period of service cuts and retrenchment and was keen to emphasise that the approval of the draft initial budget proposal is the culmination of a budget development process that has taken many

months and involved hours of discussion, analysis and challenge. Although the provisional settlement was acknowledged as positive the Executive recognised that the financial situation is not without risk with Councillor Robin Williams Portfolio Member for Finance highlighting the additional requirements befalling the Council in undertaking the duties as the Port Health Authority for Holyhead as a particular challenge as there is no certainty that the income generated will cover the costs meaning there may be an additional unquantified cost for the Council in 2022/23 which is not funded in the proposed budget.

Representations to Welsh Government including by letter on this matter have not persuaded Welsh Government to commit to providing additional financial support to meet the risk although discussions are ongoing.

It was resolved to approve the following –

- **The initial proposed budget for 2022/23 of £158.365m.**
- **A proposed increase in Council Tax of 2%, taking the Band D charge to £1,367.46.**
- **That the Executive seek the opinion of the public on the initial budget proposal and Council Tax rise for 2022/23.**

7 CAPITAL BUDGET 2022/23 – INITIAL PROPOSAL

Councillor Robin Williams, Portfolio Member for Finance presented the report by the Director of Function (Resources)/Section 151 Officer setting out the draft Capital Budget proposal for 2022/23.

The draft Capital Budget for 2022/23 takes into account the principles set out in the Capital Strategy as approved by both the Executive and Full Council in March, 2021. The proposed Capital Programme for 2022/23 totals £35.961m and is funded from the sources set out in Table 1 of the report. The General Capital grant from Welsh Government has reduced by £677k compared to the funding received in 2021/22 with it being proposed therefore that £1.681m be drawn from General Balances to help fund the proposed programme. The capital programme proposes spend on existing assets (£5.042m), new one off projects as per Table 3 of the report to include the upgrade of public toilets and provision of match funding for flood relief schemes (£1.432m), and new one off projects to be funded from earmarked reserves, service reserves and unsupported borrowing (£783k) – Table 4 of the report. Due to the significant amount of Welsh Government funding for the 21st Century Schools Programme, the Council is committed to funding these schemes through the use of unsupported borrowing and the capital receipts from the sale of old school sites. The estimated cost of the programme in 2022/23 is £8.598m. The proposed programme under the Housing Revenue Account which is a ring fenced budget for managing income and expenditure relating to the Council's housing stock will see continued investment in existing stock as well as the development of new properties.

The Director of Function (Resources)/Section 151 Officer affirmed the reduction in the General Capital Grant for 2022/23 which has led to a shortfall in the capital budget which after careful consideration the Executive is proposing be met from General Balances having concluded that given the robustness of the General Balances, utilising the balances to support capital expenditure in 2022/23 would not be unreasonable and would not put the General Reserve position at risk. Although General Capital Grant allocation is expected to increase in 2024/25 the overall capital budget position will be tighter making it difficult to formulate a capital programme that is not limited to the refurbishment and replacement of existing assets.

Councillor Dylan Rees, Vice-Chair of the Corporate Scrutiny Committee reporting from the Committee's meeting that morning confirmed Scrutiny's endorsement of the 2022/23

Capital Budget proposal with no votes against. Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel likewise confirmed the Panel's support for the proposed capital budget as a reasonable use of resources.

It was resolved to recommend to the Full Council the following capital programme for 2022/23 –

	£'000
2021/22 Schemes Brought Forward	1,322
Refurbishment/Replacement of Assets	5,042
New One Off Capital Projects	1,432
New One Off Capital Projects (funded from Reserves and Unsupported Borrowing)	783
21st Century Schools	8,598
Housing Revenue Account	18,784
Total Recommended Capital Programme 2022/23	35,961
Funded By –	
General Capital Grant	1,486
Supported Borrowing General	2,157
General Balances	1,681
21st Century Schools Supported Borrowing	1,168
21st Century Schools Unsupported Borrowing	5,261
HRA Reserve & in Year Surplus	10,099
HRA Unsupported Borrowing	6,000
Capital Receipts	600
External Grants	4,854
Earmarked Reserves	1,195
General Fund Unsupported Borrowing	138
2021/22 Funding Brought Forward	1,322
2022/23 Total Capital Funding	35,961

8 RESPONDING TO THE HOUSING CHALLENGE - SHARED EQUITY POLICY

Councillor Alun Mummery, Portfolio Member for Housing and Supporting Communities presented the report by the Head of Housing Services which incorporated the Shared Equity Policy designed to offer First Time Buyers an opportunity to obtain an equity loan to enable them to purchase a suitable home in their local area which would otherwise be unaffordable.

As part of its range of initiatives to offer affordable housing, Housing Services propose to introduce a Shared Equity Policy which will assist those who are unable to buy their home on the open market and those unable to gain access to Social Housing. Buying a home remains outside the range of many first-time buyers due to high property prices relative to local income and the deposits required. The Shared Equity Policy assists in meeting two

objectives identified within the Service's Housing Strategy which are - firstly the development of the right homes for Anglesey's future and - secondly, making the best use of existing housing stock and improving homes and communities with the action being to offer social rented properties, intermediate rents, self-build and assistance to first time buyers.

The Head of Housing Services confirmed that the Shared Equity Policy is one of the options which the Service is utilising to respond to the local housing challenge and to assist local households to access affordable homes to buy and that the policy will widen the range of affordable homes that can be offered for both existing and Council build properties. As of December, 2021 there were 458 applicants registered for affordable properties on the Tai Teg website with 260 of these applicants looking to purchase an affordable property on Anglesey

The Executive welcomed the Shared Equity Policy as a positive addition to the range of initiatives which Housing Services are developing to respond to the local housing challenge and also as a constructive use of the Council Tax Premium which is used to fund these initiatives.

It was resolved to approve the Shared Equity Policy.

9 EXCLUSION OF THE PRESS AND PUBLIC

It was considered and was resolved Under Section 100 (A) (4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Paragraphs 12, 13 and 14 of Schedule 12A of the said Act and in the Public Interest Test presented.

10 RESPONSE TO THE LOCAL HOUSING CHALLENGE - DEVELOPMENT BY YSBYTY PENRHOS STANLEY, HOLYHEAD

Councillor Alun Mummery, Portfolio Member for Housing and Supporting Communities presented the confidential report by the Head of Housing Services seeking the Executive's approval for the development of 23 new houses that will be available to local residents as affordable homes to buy or rent in response to the current housing challenge on land near Ysbyty Penrhos Stanley, Holyhead.

The Executive was advised of the location and layout of the proposed development and that the need for these homes in Holyhead has been confirmed by the Tai Teg affordable housing register. Financing would be based on the financial model used to assess the viability of housing developments and approved by the Section 151 Officer and Head of Housing Services for each individual development with the aim being to build highly efficient new homes. Subject to approval, the development timescale would be as broadly outlined.

It was resolved to approve the development of 23 new houses that will be available to local residents as affordable homes to buy or rent in response to the current housing challenge on land next to Ysbyty Penrhos Stanley, Holyhead.

**Councillor Llinos Medi
Chair**

