



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

GŴYS A RHAGLEN

SUMMONS AND AGENDA

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**CYFARFOD
RHITHWIR O GYNGOR
SIR YNYS MÔN**

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

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on

**DYDD IAU
10 MAWRTH 2022**

THURSDAY, 10 MARCH 2022

→ am 10.00 o'r gloch ←

→ at 10.00 am ←

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

A G E N D A

1. DECLARATION OF INTEREST

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

2. MINUTES

To submit for confirmation, the draft minutes of the meetings of the County Council held on the following dates:-

- 7 December 2021
- 21 December 2021 (Extraordinary)
- 11 February, 2022 (Extraordinary)

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

4. PRESENTATION OF PETITIONS

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

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

To submit the following Notice of Motion by the Leader of the Council:-

We as Anglesey County Council show our support to the people of Ukraine by having the flag fly at the Headquarters and having the helping hand of the people of Anglesey ready to provide refuge and support to those in need.

To submit the following Notice of Motion by Councillor R Meirion Jones:-

1. That Anglesey Council ask the UK Government in Westminster to devolve to the Welsh Government in Wales to the right and the power to be able to create bank holidays for Wales.

2. There is a feeling amongst the people of Wales, whatever their background and tradition, that they wish to celebrate the patron saint of Wales, St David, and that they wish to do this annually on the 1st of March.

3. Currently, the right to create bank holidays has been given to the Scottish Government and the Government of Northern Ireland, but not to the Welsh Government. Therefore, the UK Government in Westminster are asked in the same way to devolve – through the Banking and Financial Dealings Act 1971 – the right to create bank holidays, to the Welsh Government.

4. There is a call to establish St David's Day as a bank holiday in Wales. This has

been refused by the UK Government in Westminster on a financial basis but a bank holiday would be a significant boost for Anglesey with its countryside and tourism. Fundamentally, this is not a matter of cost but is a matter of worth and principle.

5. With this, we ask all the people of Anglesey to send a similar message to ours above to the UK Government in Westminster and to copy their local MP into the message.

6. ANNUAL TREASURY MANAGEMENT REVIEW FOR 2020/21

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 3 March 2022.

7. TREASURY MANAGEMENT MID-YEAR REVIEW 2021/22

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 3 March 2022.

8. TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 3 March 2022.

9. CAPITAL STRATEGY

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 3 March 2022.

10. BUDGET 2022/23

(a) Medium Term Financial Strategy and Budget 2022/23

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 3 March 2022.

(b) Final Capital Budget 2022/23

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 3 March 2022.

(c) Council Tax Setting 2022/23

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

11. ESTABLISHING THE ISLE OF ANGLESEY COUNTY COUNCIL TOWARDS NET ZERO PLAN 2022/2025

To submit a report by the Deputy Chief Executive, as presented to the Executive on 9 March 2022.

12. RESPONDING TO THE LOCAL HOUSING CHALLENGE - HOUSING STRATEGY 2022-27

To submit a report by the Head of Housing Services, as presented to the Executive on 14 February 2022.

13. THE RENTING HOMES (FEES ETC) (WALES) ACT 2019: IMPLEMENTATION ARRANGEMENTS

To submit a report by the Head of Regulation and Economic Development, as presented to the Executive on 14 February 2022.

14. REVIEW REPORT - JOINT LOCAL DEVELOPMENT PLAN

To submit a report by the Head of Regulation and Economic Development.

15. NORTH WALES POPULATION NEEDS ASSESSMENT DRAFT REPORT 2022

To submit a report by the Director of Social Services, as presented to the Executive on 9 March 2022.

16. LOCAL CODE OF GOVERNANCE

To submit a report by the Head of Profession, HR and Transformation.

17. PAY POLICY STATEMENT 2022

To submit a report by the Head of Profession, HR and Transformation.

ISLE OF ANGLESEY COUNTY COUNCIL

Minutes of the virtual meeting held on 7 December 2021

- PRESENT:** Councillor Glyn Haynes (Chair)
Councillor Dafydd Roberts (Vice-Chair)
- Councillors R Dew, Jeff M Evans, John Griffith, Richard Griffiths, K P Hughes, T LI Hughes MBE, Llinos Medi Huws, A M Jones, Carwyn Jones, Eric Wyn Jones, Richard Owain Jones, G O Jones, R LI Jones, R Meirion Jones, Alun W Mummery, Bryan Owen, R G Parry OBE FRAGS, Gary Pritchard, Dylan Rees, J A Roberts, Nicola Roberts, P S Rogers, Dafydd Rhys Thomas, Ieuan Williams and Robin Williams
- IN ATTENDANCE:** Chief Executive,
Deputy Chief Executive,
Director of Function (Resources)/Section 151 Officer,
Director of Social Services,
Director of Education, Skills and Young People,
Head of Housing Services,
Head of Regulation and Economic Development,
Head of Highways, Waste and Property,
Programme, Business Planning and Performance Manager (GM),
Licensing and Corporate Safety Manager (SH),
Policy and Welsh Language Manager (FO),
Communications Officer (GJ),
Committee Officer (MEH).
- ALSO PRESENT:** None
- APOLOGIES:** Councillors Eric W Jones, Alun Roberts and Margaret Murley Roberts.

1. DECLARATION OF INTEREST

Councillor R O Jones declared a personal interest in respect of Item 5 – Notice of Motion by Councillor Jeff M Evans and left the meeting during discussion and voting thereon.

Councillor J Arwel Roberts declared a personal interest in respect of Item 5 – Notice of Motion by Councillor Jeff M Evans and left the meeting during discussion and voting thereon.

2. MINUTES

The minutes of the following meetings were confirmed as correct:-

- 26 October, 2021 (Extraordinary)
- 22 November, 2021 (Extraordinary)

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

The Chair made the following announcements:-

- Congratulations was extended to those involved in arranging the Winter Fair in Builth Wells and to everyone from Anglesey who were successful in the Show.
- Congratulations was extended to Isaac Floyd-Eve from Holyhead High School for being elected as the Anglesey representative on the Welsh Youth Parliament.
- The Chair wished to thank the Council Staff, Elected Members and Health and Care staff as well as all key workers in the local communities for all their work in dealing with the prevention of the spread of Coronavirus.

* * * * *

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

Members and Officers stood as silent tribute.

4. PRESENTATION OF PETITIONS

There were no petitions received.

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

- Submitted – the following Notice of Motion by Councillor Jeff M Evans, endorsed by Councillors Robert Ll Jones, Peter Rogers and Bryan Owen:-

'My intent is to seek the support of Anglesey County Council in seeking reassurance and positive action from the Betsi Cadwaladr University Board, the Welsh Ambulance Service and Welsh Government in provision of effective Health Support Services, including the Ambulance Service to meet the needs and demands of the community, thus combatting the difficulties and decline in health services, which are having such a detrimental effect on the health and wellbeing of the community.'

Councillor Jeff Evans expressed his grave concerns in the delays in attaining services by the Welsh Ambulance Service. Councillor Evans gave examples of his own family's experiences recently and to the many hours they had to wait for the Ambulance Services. He noted that he had discussed the matter the Chief Officer of the Community Health Council and his response was that the Notice of Motion accurately describes the concerns of the Members of the Community Health Council.

Councillor Bryan Owen seconded the motion and said that Councillor Jeff Evans has submitted the Notice of Motion due to his own experiences in having to wait hours for the Ambulance Service to attend to his family during their recent illness. However, he noted that the service is under immense pressure

and the pandemic has contributed to further pressure on the Health Service as a whole but it is unacceptable for people in having to wait many hours for the Ambulance Service to attend to patients. He further said that he considered that a letter needs to be sent to the Ambulance Service and Welsh Government to express concerns that there is a dire need to improve the waiting time for patients.

The Leader said that the pressures on the Health Service is of national concerns. She noted that the issues within the Notice of Motion has been raised with the Chair of the Betsi Cadwaladr University Health Board and through the WLGA as part of the Leaders of Local Authorities across North Wales. Concerns have also been raised as to the pressures on the Emergency Services within the meetings of North Wales Leadership Group with membership of the Wales Ambulance Service, North Wales Fire & Rescue Service in attendance. The Leader highlighted that it is important to recognise the pressure on the Health and Emergency Services during extreme pressures and with the added demands due to the pandemic.

The Members of the Council were unanimously in support of the Notice of Motion put forward by Councillor Jeff Evans and it was :-

RESOLVED to support the motion.

- Submitted – the following Notice of Motion by Councillor Robert Ll Jones, endorsed by Councillors Aled Morris Jones, Bryan Owen, Kenneth P Hughes and Peter Rogers:-

'I am asking for our County Council to make a NET ZERO CARBON BUILDINGS DECLARATION, together with PLANNED ACTIONS TO DELIVER COMMITMENTS STARTING WITH IMMEDIATE EFFECT, TOMORROW IS TOO LATE'

Councillor Bryan Owen seconded the motion.

Councillor R Ll Jones said that the COP26 held in Glasgow recently made a commitment to tackle the Climate Emergency. He further said that it will be Local Councils that will be tasked to reduced carbon emissions in their areas and he requested the Council to support his motion to make a net zero carbon buildings declaration with immediate effect.

Councillor Dafydd R Thomas, as the Climate Change Champion said that the Authority declared a Climate Emergency in September, 2020 and to be a Carbon Neutral Authority by 2030 and this will incorporate all the County Council's buildings. He further said that the Executive resolved to the development and implementation of a new corporate Climate Change Programme to enable the Authority to transition into a carbon neutral organisation by 2030. The Executive also approved the recruitment of a corporate Climate Change Programme Manager to lead on development and delivery which is now in post. He said that the Authority has spent over £2.4m in reducing carbon footing. Councillor Thomas said that the Council has already made considerable steps towards a Carbon Neutral Authority by 2030 and did not consider that the motion be supported.

Following the vote of 16 against, 6 for and 3 abstained:-

The motion was not carried.

- Submitted – the following Notice of Motion by Councillor Richard Dew, endorsed by Councillor Llinos Medi Huws:-
 - *To require all public fireworks displays within the local authority boundaries to be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people;*
 - *To actively promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people – including the precautions that can be taken to mitigate risks.*
 - *To encourage local suppliers of fireworks to stock ‘quieter’ fireworks for public display.’*

Councillor Richard A Dew said that the public use of fireworks has become more frequent to celebrate different occasions but it must be recognised that vulnerable people and animals are affected due to noise nuisance. He further said that having advance notice of public events taking place can allow residents to take the necessary precautions to safe guard vulnerable persons and animals.

The Leader, Councillor Llinos M Huws seconded the motion.

The Members of the Council were unanimously in support of the Notice of Motion put forward by Councillor Richard A Dew and it was :-

RESOLVED to support the motion.

6. WELSH LANGUAGE PROMOTION STRATEGY

The report by the Chief Executive, as presented to the Executive on 29 November, 2021 was presented for the Council's acceptance.

It was RESOLVED to endorse the recommendations within the Welsh Language Promotion Strategy.

7. TRANSITIONAL PLAN

The report by the Deputy Chief Executive, as presented to the Executive on 29 November, 2021 was presented for the Council's acceptance.

It was RESOLVED to endorse the recommendations within the Transitional Plan.

8. STATEMENT OF GAMBLING POLICY 2022-2025

The report by the Head of Regulation and Economic Development, as presented to the Executive on 29 November, 2021 was presented for the Council's acceptance.

It was RESOLVED to endorse the recommendations within the Statement of Gambling Policy 2022-2025.

The meeting concluded at 3.45 pm

**COUNCILLOR GLYN HAYNES
CHAIR**

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ISLE OF ANGLESEY COUNTY COUNCIL

minutes of the virtual Extraordinary meeting held on 21 December 2021

PRESENT: Councillor Glyn Haynes (Chair)
Councillor Dafydd Roberts (Vice-Chair)

Councillors R Dew, John Griffith, Richard Griffiths, K P Hughes, T Ll Hughes MBE, Vaughan Hughes, Llinos Medi Huws, A M Jones, Richard Owain Jones, G O Jones, R Ll Jones, R Meirion Jones, Alun W Mummery, Bryan Owen, R G Parry OBE FRAGS, Gary Pritchard, Dylan Rees, Alun Roberts, Margaret Murley Roberts, Nicola Roberts, Dafydd Rhys Thomas, Ieuan Williams and Robin Williams.

IN ATTENDANCE: Chief Executive,
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 Regulation and Economic Development,
Head of Highways, Waste and Property,
Head of Housing Services,
Human Resources Manager (CW),
Human Resources Officer (NH),
Communications Officer (GJ),
Committee Officer (MEH).

ALSO PRESENT: None

APOLOGIES: Councillors Jeff Evans, Carwyn Jones, Eric Wyn Jones, J A Roberts and P S Rogers.

1. DECLARATION OF INTEREST

None received.

2. EXCLUSION OF THE PRESS AND PUBLIC

It was **RESOLVED** to adopt the following:-

“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 may involve the likely disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test.”

3. STAFF APPOINTMENTS - APPOINTMENT OF CHIEF EXECUTIVE

Consideration was given to the recommendation of the Appointments Committee at its meeting held on 21 December, 2021 with regard to the appointment of Chief Executive of the Isle of Anglesey County Council.

It was RESOLVED to ratify the recommendation of the Appointments Committee at its meeting held on 21 December, 2021 that Mr Dylan Williams be appointed Chief Executive of the Isle of Anglesey County Council.

The meeting concluded at 11.10 am

**COUNCILLOR GLYN HAYNES
CHAIR**

ISLE OF ANGLESEY COUNTY COUNCIL

Minutes of the virtual meeting held on 11 February 2022

PRESENT: Councillor Glyn Haynes (Chair)
Councillor Dafydd Roberts (Vice-Chair)

Councillors R Dew, John Griffith, Richard Griffiths, K P Hughes, T LI Hughes MBE, Vaughan Hughes, Llinos Medi Huws, A M Jones, Carwyn Jones, Richard Owain Jones, G O Jones, Alun W Mummery, Bryan Owen, Bob Parry OBE FRAGS, Gary Pritchard, Dylan Rees, Alun Roberts, Margaret Murley Roberts, P S Rogers, Dafydd Rhys Thomas and Ieuan 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,
Interim Director of Function (Council Business)/Monitoring Officer,
Head of Highways, Waste and Property,
Head of Social Services,
Architectural Services Manager (GT),
Communications Officer (GJ),
Committee Officer (MEH).

ALSO PRESENT: None

APOLOGIES: Councillors Eric W Jones, R Meirion Jones, J Arwel Roberts, Nicola Roberts and Robin Williams.

Head of Profession (Human Resources) and Transformation, Head of Regulation and Economic Development.

ANNOUNCEMENTS RECEIVED BY THE CHAIR

The Chair made the following announcements:-

Congratulations was extended to Hannah Baguley, Community Warden in the Countryside Team on winning the photography competition which was broadcasted on S4C recently.

Congratulations to the staff of the Authority's Leisure Centres as the swimming pools at Amlwch, Holyhead and Llangefni have become the first in Wales to be awarded the PoolMark Standard – the UK National Standard for operating healthy pools.

* * * *

Condolences was extended to the former Leader of the Council and Chairman, Mr Gareth Winston Roberts and his family on the tragic loss of their son Marc due to a road traffic accident on the Britannia Bridge recently.

Condolences was extended to any Member of the Council or Staff who have suffered a bereavement.

1. DECLARATION OF INTEREST

Councillor Dylan Rees declared a personal interest in Item 3 – Canolfan Addysg y Bont – Roof. Having attained legal advice Councillor Rees was able to take part and vote in respect of this item.

2. EXCLUSION OF THE PRESS AND PUBLIC

Councillor Bryan Owen ascertained as to why the matter as regards to the roof of Canolfan Addysg y Bont is to be discussed under the exclusion of the press and public as it is evident that there is a problem with the roof structure and the matter has been discussed previously by the full Council.

The Interim Director of Function (Council Business)/Monitoring Officer responded that the Public Interest Test has been completed as regards to this item as the matter falls under the Local Government Act 1972. However, it is a decision for the full Council to exclude the press and public but the legal advice is that the item remains exempt.

It 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 as it may involve the likely disclosure of exempt information as defined in Paragraph 12A of the said Act and in the attached Public Interest Test.”

3. CANOLFAN ADDYSG Y BONT - ROOF

Submitted – a report by the Head of Highways, Waste and Property in relation to the above.

The Portfolio Holder for Highways, Waste and Property said that as has been previously reported to the Full Council, issues have been discovered with defects across the roof structure which requires extensive roof repairs and further funding is required to cover any increased works and unforeseen works, should they arise.

The Head of Highways, Waste and Property and the Architectural Services Manager gave a verbal update on the current situation at Canolfan Addysg y Bont and presented the written report which had already been provided to Members.

It was confirmed that legal negotiations in respect of liability continues to take place a present.

Further questions were asked by Members, to which Officers responded.

Members of the County Council were in agreement that the well-being of the pupils affected by the roof repairs required at Canolfan Addysg y Bont are paramount and any disruption to their education should be kept to the minimum reasonably possible. The Director of Education, Skills and Young People said that daily contact is undertaken with the Head of Canolfan Addysg y Bont as to the current arrangements to accommodate the pupils in different locations is acceptable.

It was RESOLVED unanimously to authorise the :-

- **release a further £1.5m from the Council’s General Reserves;**
- **Head of Highways, Waste and Property to make the necessary arrangements for the construction of the remedial works and to place a direct award of the contract to the specialist supplier without the delays and uncertainties associated with following a full procurement process;**
- **Head of Highways, Waste and Property in consultation with the Director of Function (Resources)/Section 151 Officer and the Director of Function (Council Business)/Monitoring Officer to continue with a claim to recover the cost of the remedial works and all other associated costs from any party(ies) deemed liable for the defective construction of the roof.**

The meeting concluded at 1.20 pm

**COUNCILLOR GLYN HAYNES
CHAIR**

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	COUNTY COUNCIL
Date:	10 MARCH 2022
Subject:	ANNUAL TREASURY MANAGEMENT REVIEW FOR 2020/21
Portfolio Holder(s):	COUNCILLOR R WILLIAMS – FINANCE PORTFOLIO HOLDER
Head of Service / Director:	R MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author: Tel: E-mail:	JEMMA ROBINSON 01248 752675 JemmaRobinson@ynysmon.gov.uk
Local Members:	n/a
A –Recommendation/s and reason/s	
<ul style="list-style-type: none"> Consider the Annual Treasury Management Report for 2020/21. 	
B – What other options did you consider and why did you reject them and/or opt for this option?	
n/a	
C – Why is this a decision for the County Council?	
<ul style="list-style-type: none"> To comply with regulations issued under the Local Government Act 2003 and with the Council’s Treasury Management Scheme of Delegation for 2020/21 (Appendix 8 of the Treasury Management Strategy Statement 2020/21). In accordance with the Scheme of Delegation, this report was scrutinised by the Governance & Audit Committee on 20 July 2021 and the Executive on 3 March 2022 	
CH – Is this decision consistent with policy approved by the full Council?	
Yes	
D – Is this decision within the budget approved by the Council?	
N/A	
DD – Assessing the potential impact (if relevant)	
1	How does this decision impact on our long term needs as an Island
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010

6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	
E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	
10	Other	<p>The Governance & Audit Committee resolved to and Executive:-</p> <ul style="list-style-type: none"> • To note that the outturn figures in the report will remain provisional until the audit of the 2020/21 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in the report will be reported as appropriate. • To note the provisional 2020/21 prudential and treasury indicators in the report. • To accept the Treasury Management Annual Review report for 2020/21, and to recommend it to the full Council without comment.
F - Appendices:		
Appendix A – Annual Treasury Management Review for 2020/21		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • Treasury Management Strategy Statement 2020/21 • Prudential and Treasury Indicators 2020/21 • Treasury Management Mid-Year Review Report 2020/21 • Capital Outturn Report 2020/21 		

1. Introduction

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2020/21, the minimum reporting requirements were that the full Council should receive the following reports:-

- an annual treasury strategy in advance of the year (received on 10 March 2020);
- a mid-year treasury update report (received on 09 March 2021);
- an annual review following the year describing the activity compared to the strategy (this report).

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Governance & Audit Committee before they were reported to the full Council. Member training on treasury management issues was undertaken during the financial year 2019/20 in order to support members' scrutiny role.

The Section 151 Officer confirms that borrowing was only taken out for capital purposes and the statutory borrowing limit (the authorised limit) was not breached.

Furthermore, the report sets out to the following outcomes in the financial year 2020/21:-

- External factors – including a review on the economy, the interest rate performance during the year and the continued uncertainty over Brexit and the impact of Covid 19;
- Internal factors – including the performance of capital expenditure, the impact on the reserves and cash balances, risk appetite to investments, the borrowing taken by the Council and the impact on the Capital Financing Requirement (CFR);
- The Treasury Management Strategy in 2020/21 – including the debt management of the council, the implementation on the new MRP policy, and the councils borrowing and investments during the year;
- Controlling Treasury Management – What are the Prudential Indicators and how are they measured;
- Comparison in Prudential Indicators – A comparison on the actual Prudential Indicators compared to the forecast at the beginning of the year;
- Looking forward to 2021/22 and beyond; and
- Conclusion.

2. A Review of the Year – External Factors

2.1 Interest Rates - The Bank Rate was cut from 0.75% to 0.25% and then to 0.10% in March 2020 and remained unchanged all throughout the 2020/21 financial year.

2.2 The Economy – United Kingdom - the 2020/21 financial year will go down in history as being the year of the pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown so much less damage than was caused than in the first one.

The advent of vaccines starting in November 2020 were a game changer. The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during quarter 1 of 2022.

Both the Government and the Bank of England took rapid action in March 2020 at the height of the crisis to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs.

The Monetary Policy Committee (MPC) cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200bn programme of quantitative easing QE (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields). The MPC increased then QE by £100bn in June and by £150bn in November to a total of £895bn. While Bank Rate remained unchanged for the rest of the year, financial markets were concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.

The key addition to the Bank's forward guidance in August was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. This sets a high bar for raising Bank Rate and no increase is expected by March 2024, and possibly for as long as five years. Inflation has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern to the MPC.

The Chancellor has implemented repeated rounds of support to businesses by way of cheap loans and other measures, and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit ballooning in 2020/21 and 2021/22 so that the Debt to GDP ratio reaches around 100%. The Budget on 03 March 2021 increased fiscal support to the economy and employment during 2021 and 2022 followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. This will help further to strengthen the economic recovery from the pandemic and to return the government's finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further from 100%. An area of concern, though, is that the government's debt is now twice as sensitive to interest rate rises as before the pandemic due to QE operations substituting fixed long-term debt for floating rate debt; there is, therefore, much incentive for the Government to promote Bank Rate staying low e.g. by using fiscal policy in conjunction with the monetary policy action by the Bank of England to keep inflation from rising too high, and / or by amending the Bank's policy mandate to allow for a higher target for inflation.

- 2.3 Brexit** - The final agreement on 24th December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. There was much disruption to trade in January as form filling has proved to be a formidable barrier to trade. This appears to have eased somewhat since then but is an area that needs further work to ease difficulties, which are still acute in some areas.

3. A Review of the Year – Internal Factors

3.1 Capital Expenditure and financing 2020/21 - The Council undertakes capital expenditure on long-term assets. These activities may either be:-

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- Financed from borrowing: If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2020/21 Estimate (£'m)	2020/21 Actual (£'m)
General Fund capital expenditure	39	20
HRA capital expenditure	19	13
Total capital expenditure	58	33
General Fund financed in year by Grants & Contributions	23	16
HRA financed in year by Grants & Contributions	3	5
General Fund financed in year by Council Resources	1	2
HRA financed in year by Council Resources	16	7
General Fund capital expenditure financed by borrowing	15	3
HRA capital expenditure financed by borrowing	0	0

The main reason for the underspend was the large underspend against the projects listed below.

Scheme	Under spend £'m	Comment
Refurbishment of school buildings	1.419	In the latter part of 2020/21, the Authority was awarded £1.183m of additional grant funding for school Capital maintenance works. The grant funding was used to fund locally determined capital schemes in 2020/21, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund school Capital works in 2021/22.
Disabled Facilities Grants	0.392	It is very much demand led and subject to certain qualifying criteria, in particular, a test of resources does apply to all potential clients which can negatively impact on the number of cases that proceed to grant approval.
21 st Century School Schemes	6.800	Further consultation delayed the commencement of the chosen schemes. However, works are due to commence on site in early 2021/22 for the Final Band A scheme.
Waste Contract	2.199	Delays in the delivery of some fleet vehicles has meant this will slip into 2021/22. Final delivery of remaining vehicles expected in early 2021/22.

Tourism Gateway	1.016	Delays in the tendering arrangements meant that works had to be retendered in quarter 4. This is an ongoing scheme with a new budget allocation in the 2021/22 capital programme.
Various Flood schemes	1.893	Some schemes are ongoing and span across different financial years. Others have seen delays and time extensions for completion agreed by Welsh Government to carry forward the funding.
Holyhead Regeneration (THI Phase II)	0.866	Various delays throughout the year meant projects did not progress at the pace originally intended, which resulted in such a large variance to budget. New budget allocation for 2021/22.
Residential Site for Gypsies & Travellers	0.493	Work is ongoing to redesign the scheme to reduce the costs in order to match the available funding.
IT Projects	0.292	Delays experienced due to Covid and also items requiring renewal were lower than anticipated.
Capital works to existing assets	0.255	Delays experienced due to lack of tender response but works currently on site and progressing.
Leisure Improvements	0.243	Due to closure of leisure centres for most of the year and the management team moving to support Covid work, projects did not move forwards. Projects are in the pipeline and works are planned to continue in 2021/22.
Childcare capital grant	0.523	Other school sites have yet to be completed and Welsh Government have granted an extension to March 2022 to spend the remaining grant.

3.2 Reserves and Cash balances - the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:-

Usable Reserves and Provisions	Draft 31-Mar-21 £'m	Final 31-Mar-20 £'m
Council fund general reserve	11.594	7.060
Earmarked reserves	14.079	8.760
Housing Revenue Account (HRA) reserve	9.743	8.597
School reserves	4.015	0.197
Capital receipts Reserves	0.767	1.330
Total Usable Reserves	40.198	25.944
Provisions	5.047	5.180
Total Usable Reserves and Provisions	45.245	31.124

3.3 Externalisation of borrowing – The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and the resources utilised to pay for the capital spend. It represents the 2020/21 capital expenditure financed by borrowing, and prior years' capital expenditure funded by borrowing which has not yet been paid for by revenue or other resources. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the Treasury Service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLb) or the money markets), or utilising temporary cash resources within the Council. There was no externalisation of borrowing in 2020/21 financial year.

3.3.1 Gross borrowing and the CFR - In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure.

The internal borrowing strategy has now been implemented over the last few years. The gross borrowing of £124.5m at 31 March 2021 is less than the forecast CFR for the following two years.

	Actual 2020/21 £'m	Estimated 2021/22 £'m	Estimated 2022/23 £'m
Capital Financing Requirement	136.6	146.1	157.6

3.3.2 Internal borrowing - is when over the medium term, the investment rates are expected to continue to be below long term borrowing rates. This means that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure, or to replace maturing external debt. This would maximise short term savings. The Internal borrowing figure is the difference between the CFR and the Gross Borrowing Position. As can be seen in the table below, at the beginning of the year the internal borrowing position was overfunded £2.3m. By repaying the £10m short term PWLB Loan taken out in March 2020 and no other new loans taken out in the 2020/21 financial year, the Internal borrowing position at 31 March 2021 is now £12.1m:

	31 March 2020 Actual £'m	31 March 2021 Actual £'m
Gross borrowing position	139.2	124.5
CFR	136.9	136.6
(Underfunding) / overfunding of CFR	2.3	(12.1)

3.4 Other Borrowing- During the year, the Council did not enter into any other short-term borrowings.

3.5 Debt Repayments – There were three PWLB loans that matured during the year. £3.5m matured 08 June 2020. The loan was originally taken in February 1995 at an interest rate of 8.625%. £1.0m matured 18 January 2021. The loan was originally taken in May 1995 at an interest rate of 8.5%. £10.0m matured 18 March 2021. The loan was originally taken in March 2020 at an interest rate of 2.05%. There are no short term borrowings outstanding.

3.6 Investments – The expected investment strategy was to keep to shorter term deposits (up to 364 days) although the ability to invest out to longer periods was retained. Cash balances were expected to be up to £57m, ranging between £25m and £57m. The interest budget was set at £0.053m after adjusting for the estimated potential rate fall in 2020/21 at the time of producing the budget. As it turned out, average balances of £43.7m returned £0.035m at an average interest rate of 0.079%. Limited investments in other Local Authorities and interest rates dropping to below what was anticipated at the time of producing the budget contributed to this decrease in interest receivable. Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero. Most local authority lending managed to avoid negative rates. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy.

On 24 April 2020 a £3.0m investment with Stockport Metropolitan Council matured, and was repaid to Isle of Anglesey County Council. On 01 May 2020 a £3.0m investment with Salford City Council matured and was repaid to Isle of Anglesey County Council.

Part of the Council's deposits were held in no notice deposit accounts which pay interest at rates near the prevailing base rate, £20.066m at 0.03% on 31 March 2021 (31 March 2020 £14.208m at 0.48%). There was one loan to another local authority as at 31 March 2021 - £5.0m at an interest rate of 0.15% (£3m at 0.76% and £3m at 0.90% as at 31 March 2020). All investments were for under 1 year.

3.7 Treasury Position at 31 March 2021 – The Council's debt and investment position is organised by the Treasury Management Service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity in accordance with the Treasury Management Strategy 2020/21. The upper limits for fixed rate and variable rate exposures were not breached during the year. The borrowing and investment figures for the Council as at the end of the 2019/20 and 2020/21 financial years are as follows:-

	31 MARCH 2020			31 MARCH 2021		
	£'m	Average Rate (%)	Average Maturity (years)	£'m	Average Rate (%)	Average Maturity (years)
Debt PWLB	136.4	4.53	28.21	121.9	4.59	30.57
Debt Non-PWLB	2.8	0	4.04	2.6	0	3.93
Total	139.2			124.5		
CFR	136.9			136.6		
Over / (under) borrowed	2.3			(12.1)		
Fixed term investments (all < 1 year, managed in house and fixed rate)	6.000	0.83		5.000	0.15	
No notice investments (all managed in house)	14.208	0.48		20.066	0.03	
Total Investments	20.208	0.58		25.066	0.06	

Borrowing is further broken down by maturity as:-

	31 MARCH 2020		31 MARCH 2021	
	£'m	% of total	£'m	% of total
Total borrowing	139.2	100	124.5	100
Under 12 months	14.8	10.6	0.3	0.2
12 months and within 24 months	2.6	1.9	5.1	4.1
24 months and within 5 years	3.2	2.3	4.5	3.6
5 years and within 10 years	6.2	4.5	4.8	3.9
10 years and above	112.4	80.7	109.8	88.2

There have been no new borrowings taken out in the year (long or short term) and debt repayments have been as described in point 3.5 above. Therefore the movement in the categories above are simply as per the loan maturity dates.

4. The Council's Treasury Management Strategy in 2020/21

- 4.1 Debt rescheduling** - No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.
- 4.2 Borrowing in advance of need** – During the year, the Council did not borrow more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.
- 4.3 Investment Policy** – the Council's investment policy is governed by Welsh Government investment guidance, which has been implemented in the annual Treasury Management Strategy Statement approved by the Council on 10 March 2020. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties. When the Council invests its surplus cash, the most important aspect of the investment is security, followed by liquidity and then the yield. This essentially means that the main priority is the safety of the cash, followed by how readily available the cash is should the Council require it followed by the percentage interest rate return that the Council will receive for the investment. The strategy on investing surplus cash would be to borrow short term with other Local Authorities to maximize returns in a secure way.
- 4.4 Borrowing strategy and control of interest rate risk** - During 2020/21, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered
- 4.5 MRP Policy** – In 2018/19 the Council implemented its new MRP policy after seeking advice from its Treasury advisors and consultation with External Audit. The new policy is a more prudent approach to charging Revenue for Capital Financing costs. The New policy can be seen in Appendix 6 of the Treasury Management Strategy Statement 2020/21 that was approved by full Council on 10 March 2020.

5. Controlling Treasury Management

The following Prudential indicators are contained in Appendix 11 of the Treasury Management Strategy Statement. See below a brief explanation of what the indicators are and how they are calculated. Section 6 of this report analyses the differences between the Actual and the forecast Prudential Indicators for 2020/21.

- **Capital expenditure – Estimates of Capital Expenditure** - This is the forecast Capital Expenditure from 2020/21 to 2023/24, and is based on the Capital Programme for 2020/21 and the Capital Strategy for 2021/22.
- **The Council's borrowing need (the Capital Financing Requirement)** - Another prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- **Prudence - Gross Debt and the CFR** - The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- **External Debt - The authorised limit for external debt** - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The S151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report. The Authorised Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.
- **The operational boundary** - This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached. The Operational Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.
- **Affordability - Ratio of financing costs to net revenue stream** - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

6. Prudential Indicators Actual vs Expected

6.1 During 2020/21, the Council complied with its legislative and regulatory requirements. The key data for actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:-

Data for actual prudential and treasury indicators	2019/20 Actual £'m	2020/21 Original £'m	2020/21 Actual £'m
Capital expenditure			
• Non-HRA	18.203	19.765	20.507
• HRA	11.812	17.138	12.622
• Total	30.015	36.903	33.129
Total Capital Financing Requirement:			
• Non-HRA	96.906	108.536	97.359
• HRA	39.998	39.449	39.199
• Total	136.904	147.985	136.558
Gross borrowing	139.232	134.093	124.523
External debt	139.232	134.093	124.523
Investments			
• Longer than 1 year	0	0	0
• Under 1 year	20.208	15.000	25.066
• Total	20.208	15.000	25.066
Financing costs as a proportion of net revenue stream – CF	4.96%	5.15%	4.80%
Financing costs as a proportion of net revenue stream – HRA	19.01%	17.16%	16.34%

6.2 The first Prudential Indicator in the above table is the Capital Expenditure. The forecast Capital Expenditure at the time of producing the Prudential indicators for 2020/21 was £36.903m. However, the actual expenditure was £33.129m. The reason for the reduced expenditure is explained in paragraph 3.1 of this report, and is mainly due to the significant underspend in capital projects described.

6.3 The second Prudential indicator in the above table in the Capital Financing Requirement. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge called the Minimum Revenue Provision, MRP, to reduce the CFR. This is, effectively, a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR. The total CFR can also be reduced by:-

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The forecast CFR at the time of producing the Prudential indicators for 2020/21 was £147.985. However, the actual CFR was significantly lower at £136.558m. One of the reasons for the reduced CFR was the underspend in the 21st Century Schools programme, thus reducing the amount of Unsupported Borrowing needed in 2020/21. Another reason was that additional grants were awarded during the year to subsidise other funding sources such as Supported Borrowing. This meant less Supported Borrowing was needed and therefore reducing the CFR figure. However, in future years, this subsidised funding source will be used to fund the Capital Expenditure in 2021/22 and will increase the CFR.

6.4 The Authorised Borrowing Limit (£183m) and the Operational Boundary (£178m) were not breached during the year, with the amount of External debt peaking at £139.2m only.

6.5 The Financing costs as a proportion of net revenue stream for the General Fund (4.80%) was very close to the anticipated total (5.15%) meaning this indicator performed as expected, and also in line with the prior year. The Financing costs as a proportion of net revenue stream for the HRA (16.34%) was below the anticipated total (17.16%) which is due to the financing costs being lower and the net revenue stream being also being lower than expected at the time of producing the proposed indicator for 2020/21. The underspend on HRA reduced the amount of Revenue contributions needed to fund the capital programme in 220/21 from £16.1m to £7.2m.

7. Looking forward to 2020/21 and beyond

7.1 On 09 March 2021 the full Council approved the Treasury Management Strategy Statement for 2021/22. The Strategy Statement was based on the Capital Strategy and it is forecast that the Council will need to borrow an additional £7.6m in 2021/22 for the General Fund and HRA, a total of £15.7m in 2022/23 and a further total of £19.0m in 2023/24 to fund its Capital Programme. This additional borrowing will affect the General Fund with an increased Minimum Revenue Provision (MRP) being charged to fund the capital financing costs. In 2021/22 the forecast MRP is £4.2m, in 2022/23 £4.3m and £4.6m in 2023/24.

7.2 On 18 June 2021 a £5.0m investment with Flintshire County Council matured, and was repaid to Isle of Anglesey County Council.

7.3 On 23 June 2021 the Isle of Anglesey County Council invested £5m with Flintshire County Council with an interest rate of 0.03%. The investment is for 3 months.

7.4 There are no borrowings from the PWLB due to mature in the financial year 2021/22.

7.5 The latest interest rate forecast from Link Assets Services can be seen in the table below.

Link Group Interest Rate View		8.3.21											
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10

8. Conclusion

The Council's Treasury Management performance during the year was in line with the strategy of low risk, low return investments and a planned approach to borrowing designed to minimise interest charges.

The performance against the Prudential Indicators set by the Council show that the Council's Treasury Management activities are being undertaken in a controlled way which ensure the financial security of the Council and do not place the Council at any significant financial risk in terms of unaffordable or excessive borrowing.

The Council's Treasury Management Strategy and its performance against the strategy take into account the external economic factors and it is constantly reviewed to ensure that it is the most appropriate strategy moving forward.

R MARC JONES
DIRECTOR OF FUNCTION (RESOURCES) & SECTION 151 OFFICER

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	COUNTY COUNCIL
Date:	10 MARCH 2022
Subject:	TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2021/22
Portfolio Holder(s):	COUNCILLOR R WILLIAMS
Head of Service / Director:	R MARC JONES, DIRECTOR OF FUNCTION (RESOURCES) & SECTION 151 OFFICER
Report Author: Tel: E-mail:	JEMMA ROBINSON 01248 752675 JemmaRobinson@ynysmon.gov.uk
Local Members:	n/a
A –Recommendation/s and reason/s	
<ul style="list-style-type: none"> Consider the Treasury Management Mid-Year Review Report for 2021/22. 	
B – What other options did you consider and why did you reject them and/or opt for this option?	
n/a	
C – Why is this a decision for the County Council?	
<ul style="list-style-type: none"> To comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2021/22 (Appendix 8 of the Treasury Management Strategy Statement 2021/22). In accordance with the Scheme of Delegation, this report was scrutinised by the Governance & Audit Committee on 9 December 2021 and the Executive on 3 March 2022. 	
CH – Is this decision consistent with policy approved by the full Council?	
Yes	
D – Is this decision within the budget approved by the Council?	
N/A	
DD – Assessing the potential impact (if relevant):	
1	How does this decision impact on our long term needs as an Island
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-

5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	
E – Who did you consult?		What did they say?
Chief Executive / Senior Leadership Team (SLT)(mandatory)		
Finance / Section 151(mandatory)		n/a – this is the Section 151 Officer's report
Legal / Monitoring Officer (mandatory)		
Human Resources (HR)		
Property		
Information Communication Technology (ICT)		
Procurement		
Scrutiny		
Local Members		
Other		<p>The Governance & Audit Committee and Executive resolved to:-</p> <ul style="list-style-type: none"> To accept the Treasury Management Mid-Year Review report for 2021/22, and to recommend it to the full Council without comment.
F - Appendices:		
Appendix A –Treasury Management Mid-Year Review for 2021/22		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> Treasury Management Strategy Statement 2020/21 Prudential and Treasury Indicators 2020/21 Treasury Management Outturn Report 2020/21 		

1. Background

1.1 Capital Strategy

In December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability.

A report setting out our Capital Strategy was taken to the Executive Committee on 1 March 2021, and a revised Strategy for 2022/23 will be taken to the full Council before 31 March 2022.

1.2 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially, the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses and, on occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:-

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. Introduction

This report has been written in accordance with the requirements of CIPFA's Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:-

- (i) Creation and maintenance of a Treasury Management Policy Statement, which sets out the policies and objectives of the Council's treasury management activities.
- (ii) Creation and maintenance of Treasury Management Practices, which set out the manner in which the Council will seek to achieve those policies and objectives.
- (iii) Receipt by the full Council of an Annual Treasury Management Strategy Statement, which includes the Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a Mid-year Review Report (this report) and an Annual Report, covering activities during the previous year.
- (iv) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- (v) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council, the delegated body is the Audit Committee.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:-

- An economic update for the first half of the 2021/22 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2021/22;
- A review of the Council's borrowing strategy for 2021/22;
- A review of any debt rescheduling undertaken during 2021/22;
- A review of compliance with Treasury and Prudential Limits for 2021/22.

3. Economic Update

3.1 The Council's treasury advisers provided an economic update and can be found in Appendix 1. They have also recently provided the following interest rate forecast:-

	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024
Bank Rate (%)	0.10%	0.10%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.75%
5yr PWLB rate (%)	1.40%	1.40%	1.50%	1.50%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%
10yr PWLB rate (%)	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%	2.10%	2.10%	2.10%
25yr PWLB rate (%)	2.20%	2.20%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%
50yr PWLB rate (%)	2.00%	2.00%	2.10%	2.20%	2.20%	2.20%	2.20%	2.30%	2.30%	2.40%

3.2 The Council's treasury advisers recently provided a commentary alongside the interest rate forecast above. This commentary can be found in Appendix 2.

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

4.1 The Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by the full Council on 09 March 2021. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

5. Annual Investment Strategy

- 5.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions. As shown by the interest rate forecasts in section 3, it is now impossible to earn the level of interest rates commonly seen in previous decades as all investment rates have only risen weakly since Bank Rate was cut to 0.10% in March 2020 until the MPC meeting on 24 September 2021, when 6 and 12 month rates rose in anticipation of Bank Rate going up in 2022. Given this risk environment and the fact that Bank Rate may only rise marginally, or not at all, before mid-2023, investment returns are expected to remain low.
- 5.2 The Council held £38.070m of investments as at 30 September 2021 (£25.066m at 31 March 2021) and the investment portfolio yield for the first six months of the year was 0.01%. A full list of investments as at 30 September 2021 can be found in Appendix 3. A summary of the investments and rates can be found in Appendix 4.
- 5.3 The approved limits within the Annual Investment Strategy were not breached during the first six months of 2021/22.
- 5.4 The Council's budgeted investment return for the whole of 2021/22 is £0.036m and performance for the year to date is not in line with the budget, with only £0.005m received to the end of Quarter 2. Our projection to year end is that we will underachieve the budget as, although our cash balances have been higher than normal, this is offset by the lower than anticipated interest rates.
- 5.5 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.
- 5.6 The approved countries for investments can be seen in Appendix 5.
- 5.7 The table below shows a list of investments made to other Local Authorities during the first half of this financial year. Given that security of funds is the key indicator of this Council, other Local Authorities is seen as the most secure way of investing funds, and this gives a greater rate of return than most bank call accounts.

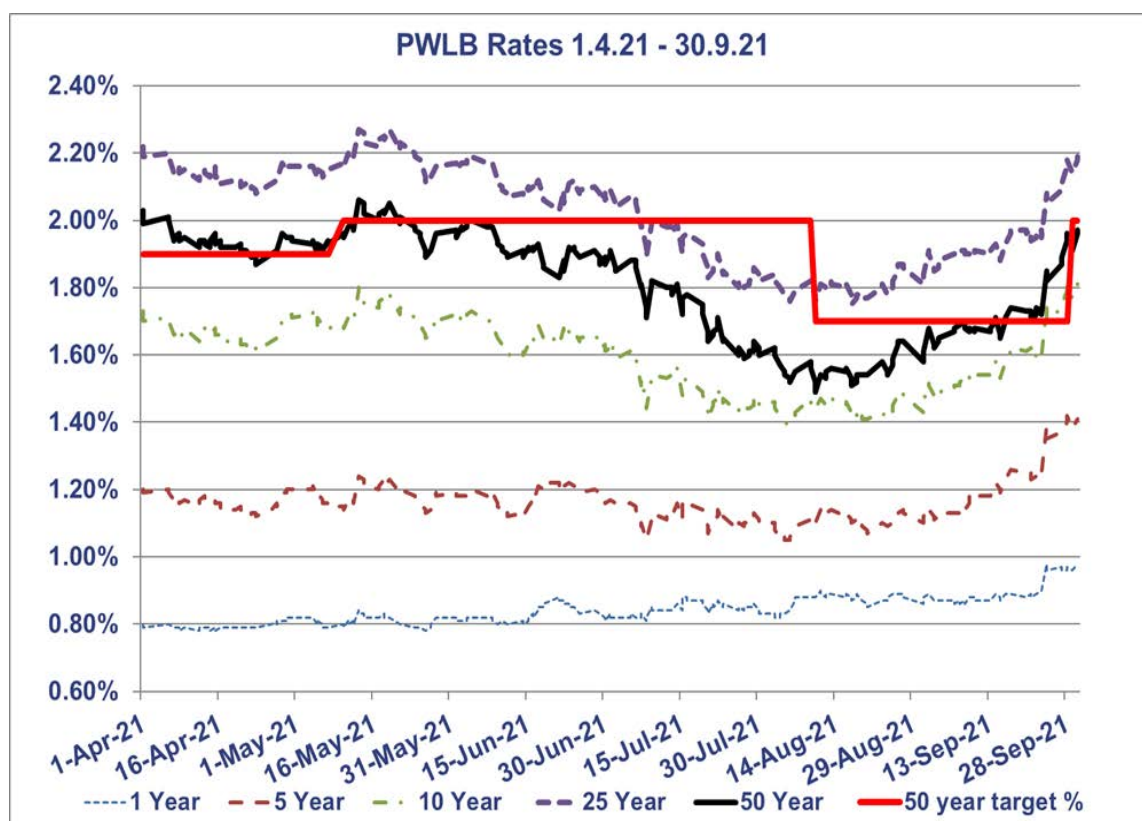
Local Authority	Start Date	End Date	Interest Rate %	Amount £
Flintshire County Council	23/06/2021	23/09/2021	0.03	5,000,000

6. Borrowing

- 6.1 The projected capital financing requirement (CFR) for 2021/22 is £140.9m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has projected year end borrowings of £124.9m and will have used £16.0m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate, but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

6.2 A sum of £509k (interest free Salix loan) was received in the first half of the year, being the last instalment of this loan. No further borrowing was undertaken during the first half of this financial year, and, it is not anticipated that any additional external borrowing will need to be undertaken during the second half of the financial year. There will be a borrowing requirement to fund a part of the 2021/22 capital programme, but this will be through internal borrowing (drawing down cash balances). This will delay capital financing costs while the Council's cash balances can absorb this internal borrowing. In the more medium-term, this might need externalising if Council cash balances become low. The capital programme is being kept under regular review due to the effects of coronavirus and shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, in order to achieve optimum value and risk exposure in the long-term.

The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date. Gilt yields and PWLB rates were on a falling trend between May and August. However, they rose sharply towards the end of September. The 50 year PWLB target certainty rate for new long-term borrowing started 2021/22 at 1.90%, rose to 2.00% in May, fell to 1.70% in August and returned to 2.00% at the end of September, after the MPC meeting of 23rd September.



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.78%	1.05%	1.39%	1.75%	1.49%
Date	08/04/2021	08/07/2021	05/08/2021	17/08/2021	10/08/2021
High	0.98%	1.42%	1.81%	2.27%	2.06%
Date	24/09/2021	28/09/2021	28/09/2021	13/05/2021	13/05/2021
Average	0.84%	1.16%	1.60%	2.02%	1.81%
Spread	0.20%	0.37%	0.42%	0.52%	0.57%

6.3 Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has, therefore, been undertaken to date in the current financial year.

7. The Council's Capital Position (Prudential Indicators)

7.1 This part of the report is structured to update:-

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

7.2 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure in comparison to the capital budget:-

Capital Expenditure	2021/22 Original Estimate £'000	Position as at 30 September 2021 £'000	2021/22 Current Estimate £'000
Council Fund	34,386	8,666	25,427
HRA	22,561	4,583	13,641
Total	56,947	13,249	39,068

7.2.1 The projected expenditure shows that the majority of projects are on target to be completed within budget, but the main project that is forecast to be underspent is the 21st Century Schools Programme along with the Canolfan Addysg y Bont roofing works. The HRA is also forecasting a significant underspend. This is reflected in the above table. A full breakdown on the planned capital expenditure for 2021/22 is provided in the Capital Budget Monitoring Report Q2, presented to the Executive on 29 November 2021.

7.3 Changes to the Financing of the Capital Programme

7.3.1 There are some changes to the financing of the capital programme, as can be seen in the table below. The main reason for the change is as noted in paragraph 7.2.1, as there will be significant underspend in capital schemes in 2021/22. However, these schemes will slip into 2022/23, along with their funding, and it is not anticipated, at this point, that any funding will be lost due to the delays.

7.3.2 The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original funding of the capital programme, and the expected funding arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Financing	2021/22 Original Estimate £'000	2021/22 Revised Estimate £'000
Capital Grants	22,217	18,416
Capital Receipts	463	521
Reserves	2,710	1,239
Revenue Contribution	17,887	10,967
Supported Borrowing	8,765	5,590
Unsupported Borrowing	4,697	2,127
Loan	208	208
Total	56,947	39,068

7.4 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

7.4.1 Tables 7.4.2 and 7.4.3 below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary, which is set annually by the Council as part of the Treasury Management Strategy Statement.

7.4.2 Prudential Indicator – the Operational Boundary for external debt

	2021/22 Operational Boundary as per TMSS 2020/21 £'000	2021/22 Opening Borrowing Position £'000	Amount Within the Boundary £'000	2021/22 Estimated Borrowing Position £'000	Amount Within the Boundary £'000
<i>Prudential Indicator – External Debt/ The Operational Boundary</i>					
Borrowing	188,000	124,524	63,476	124,949	63,051
Other long term liabilities	5,000	0	5,000	0	5,000
Total Debt 31 March	193,000	124,524	68,476	124,949	68,051

7.4.3 Prudential Indicator – Capital Financing Requirement (CFR)

7.4.3.1 We are currently slightly below the original forecast for Capital Financing Requirement due to the forecast underspend in borrowing, mainly down to the HRA forecast underspend and receiving additional grant funding received as substitute funding.

	2021/22 Original Estimate £'000	2021/22 Revised Estimate £'000
<i>Prudential Indicator – Capital Financing Requirement</i>		
CFR – Council Fund	105,669	102,531
CFR – HRA	40,415	38,415
Total CFR	146,084	140,946
Net movement in CFR	3,397¹	4,386²

Original CFR Forecast	146,084
Reduced MRP between TMSS 2021/22 forecast and Capital Q2 2021/22 revised forecast	620
Underspend in Unsupported Borrowing for HRA in 2021/22	-2,000
Difference on loan (difference between TMSS 2021/22 forecast and Capital Q2 revised forecast) – additional Salix loan received not known at time of producing TMSS 2021/22	208
Underspend in Unsupported Borrowing in 2020/21 and overspend in 2021/22 due to the delay in the waste contract not completing by year 2020/21 and slipping into 2021/22 and a net underspend overall due to award of grant at year end 2020/21 to fund the majority of the 2020/21 waste fleet expenditure.	-1,089
Underspend in Supported Borrowing in 2020/21 due to additional grant received in 2020/21 as substitute funding which reduced the need for Supported Borrowing	-2,877
Revised CFR Forecast	140,946

¹ Movement between 2020/21 estimate and 2021/22 estimate in TMSS 2021/22

² Movement between 2020/21 actual (per Statement of Accounts 2020/21) and 2021/22 revised estimate

7.5 Limits to Borrowing Activity

7.5.1 The first key control over the treasury activity is a prudential indicator to ensure that, over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need, which will be adhered to if this proves prudent. The current borrowing position is £125.032m, which is below the CFR forecast for this and the next two financial years (see table below), therefore, this indicator has not been breached.

	2021/22 £'000	2022/23 £'000	2023/24 £'000
CFR (year-end forecast)	140,946	157,552	171,960

	2021/22 Original Estimate £'000	Current Position at 30 September 2021 £'000	2021/22 Revised Estimate £'000
External Borrowing	140,991	125,032	124,949
Internal Borrowing	5,093	15,914	15,997
Plus other long term liabilities	0	0	0
CFR (year-end position)	146,084	140,946	140,946

7.5.2 It is not envisaged that there will be any difficulties for the current year in complying with this prudential indicator.

7.5.3 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit, which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members, currently £183m. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under Section 3 (1) of the Local Government Act 2003.

Authorised Limit for External Debt	2021/22 Original Indicator £'000	Current Borrowing Position as at 30 September 2021 £'000	Estimated Borrowing Position as at 31 March 2022 £'000
Borrowing	178,000	125,032	124,949
Other long term liabilities	5,000	0	0
Total	183,000	125,032	124,949

8. Compliance with Treasury and Prudential Limits

- 8.1** It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2021, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2021/22. No difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in compliance with the Council's Treasury Management Practices.

**MARC JONES
DIRECTOR OF FUNCTION (RESOURCES)
& SECTION 151 OFFICER**

Diweddariad ar yr Economi hyd yma a'r rhagolygon / Economic Update & Forecasts

- The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
- There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**
- So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.
- Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 1. Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
 2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

- **COVID-19 vaccines.** These have been the game changer which have enormously boosted confidence that **life in the UK could largely return to normal during the summer** after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

US. See comments below on US treasury yields.

EU. The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.

German general election. With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.

China. After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

Japan. 2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was negative in July. New Prime Minister Kishida has promised a large fiscal stimulus package after the November general election – which his party is likely to win.

World growth. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of **world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

Supply shortages. The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

Sylwadau ar y rhagolygon diweddaraf ar raddfeydd llog / Commentary on the latest interest rates forecasts

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table in 3.1, one increase in Bank Rate from 0.10% to 0.25% has now been included in quarter 2 of 2022/23, a second increase to 0.50% in quarter 2 of 23/24 and a third one to 0.75% in quarter 4 of 23/24.

Significant risks to the forecasts

COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.

- The pandemic causes major long-term scarring of the economy.
- The Government implements an austerity programme that suppresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.
- The MPC tightens monetary policy too late to ward off building inflationary pressures.
- Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.
- Geo-political risks are widespread e.g. German general election in September 2021 produces an unstable coalition or minority government and a void in high-profile leadership in the EU when Angela Merkel steps down as Chancellor of Germany; on-going global power influence struggles between Russia/China/US.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?

- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the "taper tantrums" in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

Gilt and treasury yields

Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden's, and the Democratic party's determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020 under President Trump. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus, which is much bigger than in other western economies, was happening at a time in the US when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy had already been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries. A combination of shortage of labour and supply bottle necks is likely to stoke inflationary pressures more in the US than in other countries.
4. And the Fed was still providing monetary stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash stronger and more sustained inflationary pressures in the US than in other western countries. This could then force the Fed to take much earlier action to start tapering monthly QE purchases and/or increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that some Fed members have moved forward their expectation of when the first increases in the Fed rate will occur in recent Fed meetings. In addition, more recently, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of strong monthly jobs growth figures could be enough to meet the threshold set by the Fed of “substantial further progress towards the goal of reaching full employment”. However, the weak growth in August, (announced 3.9.21), has spiked anticipation that tapering of monthly QE purchases could start by the end of 2021. These purchases are currently acting as downward pressure on treasury yields. As the US financial markets are, by far, the biggest financial markets in the world, any trend upwards in the US will invariably impact and influence financial markets in other countries. However, during June and July, longer term yields fell sharply; even the large non-farm payroll increase in the first week of August seemed to cause the markets little concern, which is somewhat puzzling, particularly in the context of the concerns of many commentators that inflation may not be as transitory as the Fed is expecting it to be. Indeed, inflation pressures and erosion of surplus economic capacity look much stronger in the US than in the UK. **As an average since 2011, there has been a 75% correlation between movements in 10 year treasury yields and 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ and the ECB now has a similar policy.
- **For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.**
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

Crynodeb Benthycyca a Buddsoddi – Chwarteroedd 1 a 2 2021/22
Borrowing and Investment Summary – Quarters 1 and 2 2021/22

	30 Medi / Sept 2021		30 Mehefin / June 2021	
	£'m	% (talwyd ar fenthycyca a dderbyniwyd ar fuddsoddi) / % (paid on borrowing and received on investment)	£'m	% (talwyd ar fenthycyca a dderbyniwyd ar fuddsoddi) / % (paid on borrowing and received on investment)
Benthycyca – graddfa sefydlog Borrowing – fixed rate				
BBGC / PWLB	121.9	4.58	121.9	4.59
Dim BBGC / Non-PWLB	3.1	0	3.1	0
Benthycyca – graddfa amrywiol Borrowing – variable rate	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Adneuon – galw hyd at 30 diwrnod Deposits – Call to 30 days	38.1	0.01	33.1	0.01
Adneuon – Tymor sefydlog < 1 bl. Deposits – Fixed Term < 1 year	Dim / Nil	d/b / n/a	5.0	0.03
Adneuon – Tymor sefydlog 1 bl. + Deposits – Fixed Term 1 year +	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Cyfanswm Adneuon Total Deposits	38.1	0.01	38.1	0.01
Adneuon Uchaf yn y Chwarter Highest Deposits in the Quarter	47.1	d/b / n/a	42.1	d/b / n/a
Adneuon Isaf yn y Chwarter Lowest Deposits in the Quarter	38.1	d/b / n/a	25.1	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Average Deposits in the Quarter	42.4	0.01	36.6	0.04

ATODIAD / APPENDIX 4

Graddfeydd Credyd Gwrthbartion buddsoddi a'r adneuron a ddelir gyda phob un ar 30 Medi 2021*
Credit ratings of investment counterparties and deposits held with each as at 30 September 2021*

Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuron / Deposit £'000	Hyd (Galw/ tymor sefydlog) / Duration (Call / Fixed Term**)	Cyfnod (O / I) / Period (From / To)	Graddfa Dychweliad/ Rate of Return %	Graddfa Tymor Hir Fitch Long Term Rating	Graddfa Tymor Byr Fitch Short Term Rating	Graddfa Tymor Hir Moody's Long Term Rating	Graddfa Tymor Byr Moody's Short Term Rating	Graddfa Tymor Hir Standard & Poor's Long Term Rating	Graddfa Tymor Byr Standard & Poor's Short Term Rating	Lliw Sector/Hyd Awgrymiedig/ Sector Colour / Suggested Duration
Lloyds Banking Group plc	Bank of Scotland plc	7.206	Galw/ Call	n/a	0.01	A+	F1	A1	P-1	A+	A-1	Coch - 6 mis / Red - 6 months
Santander Group plc	Santander UK plc	7.497	Galw/ Call	n/a	0.02	A+	F1	A1	P-1	A	A-1	Coch - 6 mis / Red - 6 months
The Royal Bank of Scotland Group plc	The Royal Bank of Scotland plc (Rhan / Gwladoli / Part / Nationalised)	0.002	Galw/ Call	n/a	0.01	A+	F1	A1	P-1	A	A-1	Glas - 12 mis / Blue - 12 months
The Royal Bank of Scotland Group plc	National Westminster Bank Deposit	23.365	Galw/ Call	n/a	0.01	A+	F1	A1	P-1	A	A-1	Glas - 12 mis / Blue - 12 months

* Ceir y Rhestr Benthycy Cymeradwyedig yn Atodiad 8 o'r Datganiad Strategaeth Rheoli Trysorlys 2021/22/Strategaeth Buddsoddi Blynnyddol/The Approved Lending List can be found at Appendix 8 of the 2021/22 Treasury Management Strategy Statement / Annual Investment Strategy

** Sef tymor ar pwynt y buddsoddi/Being term at the point of investment.

Gwledydd cymeradwy ar gyfer buddsoddi
Approved countries for investments

Yn seiliedig ar y gyfradd credyd sofran isaf sydd ar gael
Based upon lowest available sovereign credit rating

AAA

- Awstralia / Australia
- Denmarc / Denmark
- Yr Almaen / Germany
- Lwcsembwrg / Luxembourg
- Yr Iseldiroedd / Netherlands
- Norwy / Norway
- Singapôr / Singapore
- Sweden
- Y Swistir / Switzerland

AA+

- Canada
- Y Ffindir / Finland
- U.D.A. / U.S.A.

AA

- Abu Dhabi (UAE)
- Ffrainc / France

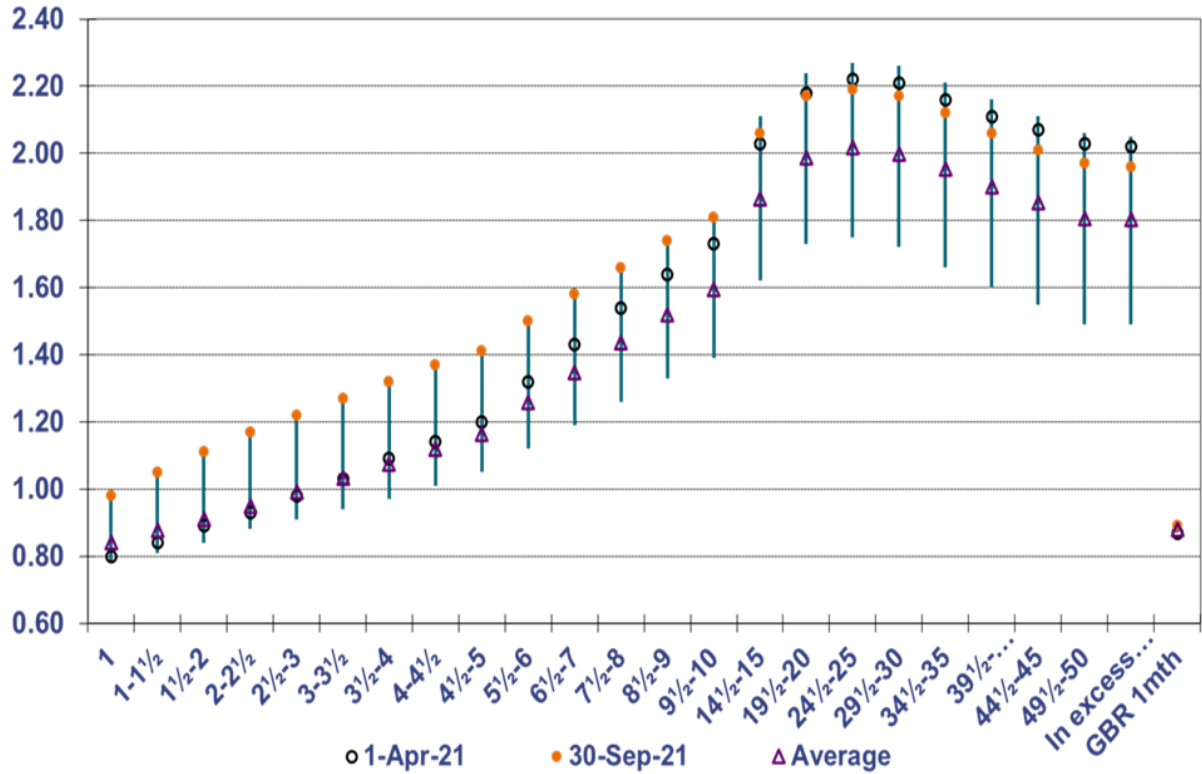
AA-

- Gwlad Belg / Belgium
- Hong Kong
- Qatar
- D.U. / U.K.

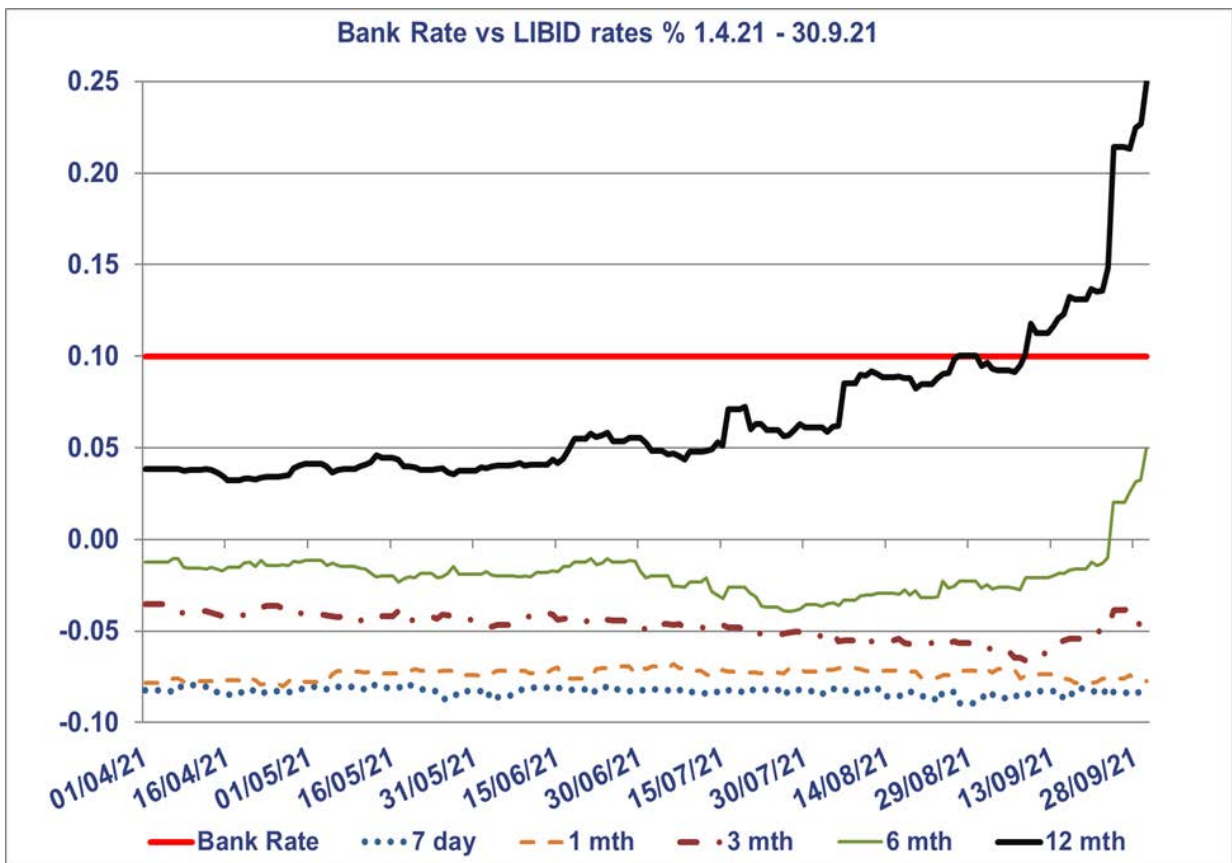
Graffiau Ychwanegol / Additional Graphs

Cymhariaeth o baramedrau benthyca â benthyca allanol gwirioneddol / Comparison of borrowing parameters to actual external borrowing

PWLB Certainty Rate Variations 1.4.21 to 30.9.2021



Bank Rate vs LIBID rates % 1.4.21 - 30.9.21



ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	COUNTY COUNCIL
Date:	10 MARCH 2022
Subject:	TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23
Portfolio Holder(s):	COUNCILLOR R WILLIAMS
Head of Service / Director:	MARC JONES, DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author: Tel: E-mail:	JEMMA ROBINSON 01248 752675 JemmaRobinson@ynysmon.gov.uk
Local Members:	n/a

A –Recommendation/s and reason/s

- This report is presented to ensure that the Council is implementing best practice in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management. The code recommends that, prior to being presented for adoption, members should scrutinise the Treasury Management Strategy Statement (which includes the Annual Investment Strategy, the annual MRP Policy Statement, the annual Treasury Management Policy Statement and the Treasury Management Scheme of Delegation). This Authority’s scheme of delegation charges the Governance & Audit Committee with this function.

- The CIPFA Code of Practice on Treasury Management (Section 7) recommends that the Authority’s Treasury Management Practices (TMPs) should be approved, documented and monitored. It goes on to state that the nature and extent of the involvement of an organisation’s responsible body in approving and monitoring its TMPs and accompanying schedules is a matter for local decision, and recognises that in some organisations this may be delegated to the responsible officer. In all cases, it should be subjected to scrutiny by the responsible body following recommendations by the responsible officer. This Authority has produced documented TMPs, and were approved by the Governance & Audit Committee on 11 February 2020 and the Executive on 03 March 2022

- In terms of updates to the Treasury Management Strategy Statement, there are no proposed amendment to the core principals and policies of the 2021/22 Statement.

- Under Code of Practice, it is a requirement that the Council prepares a Capital Strategy, which takes a longer-term view as to the capital investment that is required and how that investment will be funded. The County Council will approve this Strategy, along with other budget resolutions. This Treasury Management Strategy sits below the Capital Strategy, and considers the impact of that strategy on the Council’s borrowing and investments. It sets out how both strategies will be undertaken in a controlled way, which is in line with a suitable level of risk that the Council wishes to take, bearing in mind the guidance set out in the CIPFA Code of Practice on Treasury Management. Under the revised Code in December 2021, members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMSS report.

- **Recommendations**
 - To approve and adopt the Treasury Management Strategy for 2022/23.

B – What other options did you consider and why did you reject them and/or opt for this option?	
n/a	
C – Why is this a decision for the County Council?	
<ul style="list-style-type: none"> It is a designated Executive function. In accordance with the Scheme of Delegation, this report was scrutinised by the Governance & Audit Committee on 08 February 2022 and Executive on 03 March 2022. 	
CH – Is this decision consistent with policy approved by the full Council?	
Yes	
D – Is this decision within the budget approved by the Council?	
N/a	
DD – Assessing the potential impact (if relevant)	
1	How does this decision impact on our long term needs as an Island
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how:-
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.
E – Who did you consult?	
What did they say?	
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)
2	Finance / Section 151 (mandatory)
3	Legal / Monitoring Officer (mandatory)
4	Human Resources (HR)
5	Property
6	Information Communication Technology (ICT)
7	Procurement
8	Scrutiny
9	Local Members
10	Other
	<p>The Governance and Audit Committee and the Executive resolved to:-</p> <ul style="list-style-type: none"> Recommend to the full Council the approval of the Treasury Management Statement for 2022/23, without any further changes.

F - Appendices:

1. Treasury Management Policy Statement
2. Treasury Management Key Principles
3. Economic background
4. Interest rate forecasts
5. Loan maturity profile
6. MRP Policy Statement
7. Specified and non-specified investments
8. Counterparty criteria
9. Approved countries for investments
10. Treasury management scheme of delegation and the role of the Section 151 Officer
11. Prudential and Treasury Indicators
12. Explanation of Prudential and Treasury Indicators
13. Glossary of, and information on, Prudential & Treasury Management indicators

FF - Background papers (please contact the author of the Report for any further information):

- 2021/22 Treasury Management Strategy Statement, approved by the full Council on 9 March 2021;
- 2020/21 Treasury Management Outturn Report, presented to the Governance & Audit Committee on 20 July 2021;
- 2020/21 Capital Outturn Report, presented to this Committee on 21 June 2021;
- Capital Budget Monitoring Quarter 2 2021/22, presented to this Committee on 29 November 2021; and
- 2021/22 Treasury Management Mid Year Report, presented to the Governance & Audit Committee on 09 December 2021.

TREASURY MANAGEMENT STRATEGY STATEMENT

ANNUAL INVESTMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND TREASURY MANAGEMENT POLICY STATEMENT 2022/23

1. INTRODUCTION

- 1.1. CIPFA published the revised codes on 20 December 2021 and has stated that formal adoption is not required until the 2023/24 financial year. The Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy, and also related reports during the financial year, which are taken to full Council for approval.
- 1.2. The revised codes will have a number of implications and members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMSS report.
- 1.3. In addition, all investments and investment income must be attributed to one of the following three purposes - Treasury Management, Service Delivery and Commercial return. As this Treasury Management Strategy Statement and Annual Investment Strategy deals with treasury management investments, the categories of service delivery and commercial investments will be dealt with as part of the Capital Strategy report.

2. BACKGROUND

- 2.1. CIPFA defines treasury management as:-

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The Treasury Management Policy Statement defines the policies and objectives of the treasury management activities (see **Appendix 1**).

- 2.2. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2.3. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 2.4. The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will, in effect, result in a loss to the Council's cash reserves.

3. CIPFA CODE OF PRACTICE ON TREASURY MANAGEMENT

- 3.1. The CIPFA Code of Practice on Treasury Management requires the Council to prepare and approve the following documents:-
 - A Capital Strategy Statement which sets out a high level, long term overview of capital expenditure and financing, along with details on any associated risks and how they will be managed, as well as the implications for future financial sustainability. The aim of this capital strategy is to ensure that all elected Members on the full Council fully understand

the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

- A Treasury Management Strategy which sets out the Council's strategy in terms of borrowing and investment which follows on from the Capital Strategy, sets out the constraints on borrowing, determines a set of prudential indicators and determines the Council's risk appetite and strategy in respect of investments. It essentially covers two areas: capital issues and treasury management issues. These elements cover the requirements of the Local Government Act 2003, Welsh Government Investment Guidance and MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

3.2. The key principles of the CIPFA Treasury Management Code of Practice are set out in **Appendix 2**.

4. EXTERNAL CONTEXT

4.1. Setting the Treasury Management Strategy cannot be undertaken in isolation, and consideration must be given to the economic situation as this has an impact on investment interest rates, the cost of borrowing and the financial strength of counterparties. A full summary of the economic outlook is set out in **Appendix 3**, but the main points to consider are as follows:-

- Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022, with significant risks to the forecasts detailed in **Appendix 4**.
- World growth was in recession in 2020 but recovered during 2021, until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022.
- Investment returns are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations

4.2. Having considered the available information and having considered the advice from the Council's Treasury Management Advisors, the following table sets out the Council's view on interest rate levels for the following 3 years:-

Table 1
Prospects for Interest Rates to March 2025

Annual Average	Bank Rate (%)	PWLB Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
March 2022	0.25	1.50	1.90	1.70
June 2022	0.50	1.50	2.00	1.80
September 2022	0.50	1.60	2.10	1.90
December 2022	0.50	1.60	2.10	1.90
March 2023	0.75	1.70	2.20	2.00
June 2023	0.75	1.80	2.20	2.00
September 2023	0.75	1.80	2.20	2.00
December 2023	0.75	1.80	2.30	2.10
March 2024	1.00	1.90	2.30	2.10
June 2024	1.00	1.90	2.40	2.20
September 2024	1.00	1.90	2.40	2.20
December 2024	1.00	2.00	2.50	2.30
March 2025	1.25	2.00	2.50	2.30

Information provided by Link Group, Treasury Solutions is attached as **Appendix 4**.

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent

meetings until raising it to 0.25% at its meeting on 16th December 2021.

As shown in the forecast table above, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Borrowing interest rates fell to historically very low rates as a result of the Covid crisis and the quantitative easing operations of the Bank of England, and still remain at historically low levels. Despite these low rates, our policy of avoiding new borrowing by running down spare cash balances has served the Authority well over the last few years.

- 4.3. The current forecast, shown above, includes a forecast for a first increase in Bank Rate in May 2022, though it could come in February. Given the forecast for bank base rates, the suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):-

2022/23: 0.50%;

2023/24: 0.75%;

2024/25: 1.00%;

2025/26: 1.25%;

Long term later years: 2.00%.

5. THE COUNCIL'S CURRENT POSITION

5.1. Borrowing

5.1.1. The Council's current external borrowing is set out in Table 2 below. A full analysis is attached as **Appendix 5**.

Table 2

Summary of the Council's Current Outstanding Loans

PWLB LOANS						
	PWLB / PWLB Maturity	PWLB EIP/ Annuity	Market Loans	PWLB Variable	Total Maturing	
Loan Outstanding	£121,684k	£193k	£0k	£0k	£121,877k	
Average life (years)	30.42	4.63	0.00	0.00	30.38	
Average rate (%)	4.58	9.42	0.00	0.00	4.58	
OTHER LOANS						
	Salix Loan 1	Salix Loan 2	Salix Loan 3	Salix Loan 4	Salix Loan 5	Total
Outstanding Balance	£41k	£182k	£445k	£198k	£2,205k	£3,071k
Repayment Date	2024/25	2025/26	2028/29	2029/30	2031/32	
Interest Rate (%)	0.00	0.00	0.00	0.00	0.00	

5.2. Investments

5.2.1 Any surplus cash is currently invested in short term deposit accounts, call accounts and with other UK local authorities. The balance invested in these accounts changes daily (balance as at 31 December 2021 was £44.7m).

5.2.2 Under the current treasury management strategy, the Council invests surplus cash ensuring, first of all, the security of the deposit, secondly the liquidity of the deposit and, finally, the return on the investment. In practice, in order to ensure the first and second principles, the rate of return on investments is sacrificed, and the current average return on investments is 0.02% (as at 31 December 2021).

6. IMPACT OF FUTURE PLANS ON BORROWING

6.1. Capital expenditure is partly funded from borrowing and the capital programme, as set out in the Capital Strategy, is set out in Table 3 below:-

**Table 3
Proposed Capital Expenditure Programme 2022/23 – 2024/25**

	2022/23 £'000	2023/24 £'000	2024/25 £'000
Non - HRA	17,177	9,408	8,277
HRA	18,784	22,009	18,550
Commercial Activities / Non Financial Investment	0	0	0
TOTAL EXPENDITURE	35,961	31,417	26,827
Financed By			
Capital Grants	7,662	7,040	5,653
Capital Receipts	600	100	100
Reserves	2,876	0	0
Revenue	10,099	9,849	10,290
Balance Funded from Borrowing	14,724	14,428	10,784

- 6.2. An important factor to consider is the impact of borrowing on the Council's Capital Financing Requirement (CFR). The CFR is the measure of the Council's underlying borrowing need. Borrowing is not limited to external borrowing from PWLB but also the use of the Council's own cash balances (internal borrowing) which have been used to fund capital expenditure.
- 6.3. Capital expenditure will increase the CFR but only by the sum that is not funded from grants, capital receipts, reserves or revenue. The CFR will also reduce annually by the sum of the Minimum Revenue Provision (MRP) which is charged to revenue. The level of the CFR is an important measure to ensure that the Council does not commit itself to unaffordable levels of borrowing.
- 6.4. In order to ensure that the Council has sufficient funds available to repay debt as it falls due, the Council is required to make a charge to the revenue account each year, and this charge is known as the Minimum Revenue Provision (MRP). Regulations require that the Council approves a MRP statement in advance of each financial year. The policy for 2022/23 is set out in **Appendix 6**. The Council's MRP was substantially revised in 2018, but there are no changes from that revised policy for 2022/23. By making the MRP charge each year, the Council's cash balances are replenished and that, in turn, reduces the level of internal borrowing.
- 6.5. The policy will provide an equal charge on borrowing up to 31 March 2018 and, for all borrowing after that date, the MRP charge will be based on the useful life of the asset which has been funded from borrowing, e.g. if £1m is borrowed to fund the capital expenditure on an asset that has an asset life of 20 years, the annual MRP in respect of that loan would be £50k per annum. As new borrowing is undertaken, it will increase the MRP charge over time and this increase in costs is allowed for in the Council's budgets. The Council may choose to pay more MRP in any given year. These overpayments of MRP (which in the Council's case, are to ensure enough cash for loan repayments), can, if needed, be reclaimed in later years. Up until 31 March 2021, the total overpayments were £289k, and related specifically to the Salix loans where the MRP charged to the revenue account has been calculated on the basis of the life of the loan rather than on the life of the asset which was funded by the loan. This ensures that the Council has sufficient cash to repay the loans when they become due for repayment.
- 6.6. The impact of the Council's capital expenditure plans and the MRP charge on the CFR and level of external and internal borrowing is shown in Table 4 below:-

Table 4
Capital Financing Requirement and Borrowing 2021/22 to 2024/25

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Capital Financing Requirement (CFR)				
Opening Balance of CFR	136,560	140,949	151,515	161,470
Capital Expenditure	39,068	35,961	31,417	26,827
External Capital Grants	(18,416)	(7,662)	(7,040)	(5,653)
Capital Receipts	(521)	(600)	(100)	(100)
Revenue Contribution & Reserves	(12,206)	(12,975)	(9,849)	(10,290)
Minimum Revenue Provision	(3,536)	(4,158)	(4,473)	(4,696)
CLOSING BALANCE OF CFR	140,949	151,515	161,470	167,558
External Borrowing				
Opening Balance of External Borrowing	124,524	132,283	144,335	156,112
Borrowing to Fund Capital Expenditure	7,925	14,724	14,428	10,784
Borrowing to Fund Loan Repayments	0	0	0	0
Borrowing to Replace Internal Borrowing	0	0	0	0
Loan Repayments	(166)	(2,672)	(2,651)	(382)
Closing Balance of External Borrowing	132,283	144,335	156,112	166,514
Internal Borrowing				
Opening Balance of Internal Borrowing	12,036	8,666	7,180	5,358
Replacement of Internal Borrowing	0	0	0	0
Funding Loan Repayments from External Borrowing	0	0	0	0
External Loan Repayments	166	2,672	2,651	382
Borrowing to Fund Capital Expenditure	0	0	0	0
Minimum Revenue Provision	(3,536)	(4,158)	(4,473)	(4,696)
Closing Balance of Internal Borrowing	8,666	7,180	5,358	1,044
TOTAL BORROWING	140,949	151,515	161,470	167,558

7. BORROWING STRATEGY

7.1. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This approach is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered. As part of this strategy, the ability to externally borrow to repay the reserves and balances, if needed, is important. Table 4 indicates that £8.666m may need to be externally borrowed if urgently required. This is the amount of Council reserves and balances used in the past to fund the capital programme instead of taking out borrowing.

7.2. Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:-

- If it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered if it is cost effective to do so.
- If it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- Any decisions will be reported to this Committee at the next available opportunity.

7.3. External v Internal Borrowing

7.3.1 Current conditions indicate a need for a flexible approach to the choice between internal and external borrowing. Many of the factors which lay behind previous policies to externalise all borrowing remain valid, e.g.:-

- With a continuing historically abnormally low Bank Rate and PWLB rates, there remains a unique opportunity for local authorities to actively manage their strategy of undertaking new external borrowing.

7.3.2 However, it remains the case that there are certain limitations to this approach, as previously noted, e.g.:-

- The policy can cause exposure to credit risk (e.g. risk of the bank defaulting on the debt), so this aspect must be very carefully managed;
- Careful on-going consideration needs to be given to the difference between borrowing rates and investment rates to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.

7.3.3 In favour of internalisation, over the medium term, investment rates are expected to continue to be below long term borrowing rates. This means that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure, or to replace maturing external debt (this is referred to as internal borrowing). This would maximise short term savings.

7.3.4 However, short term savings by avoiding new long term external borrowing in 2022/23 must also be weighed against the potential for incurring additional long term extra costs, by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be higher. Additionally, the cash flow implications of internalising borrowing require regular review and will limit the potential extent of internalising borrowing.

7.4. Borrowing in Advance of Need

7.4.1 The Council will not borrow more than, or in advance of, its needs, solely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

7.4.2 In determining whether borrowing will be undertaken in advance of need, the Council will:-

1. ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
2. ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets, have been considered;
3. evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
4. consider the advantages and disadvantages of alternative forms of funding;
5. consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
6. consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

7.4.3 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

7.5. Debt Rescheduling

7.5.1 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020.

7.5.2 The reasons for any rescheduling to take place will include:-

- the generation of cash savings and/or discounted cash flow savings;
- helping to fulfil the treasury strategy; and
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

7.5.3 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

7.5.4 All rescheduling will be reported to the Governance & Audit Committee at the earliest practicable meeting following its action.

7.6. Debt Profile

7.6.1. As can be seen from **Appendix 5**, the existing borrowing is due to be repaid in various years up to 2068/69. As part of any decision on future borrowing, the Council will aim to ensure that the repayment date is arranged so as to smooth out repayments as far as possible, but priority will be given to the interest rate payable when determining the type of loan (maturity or annuity) and the length of the loan.

8. INVESTMENT STRATEGY

8.1. In-house funds: Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking higher rates currently obtainable, for longer periods.

8.2. Management of Risk

8.2.1 CIPFA has extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the Treasury Management Team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (a separate report).

8.2.2 The Council's investment policy has regard to the following:-

- Welsh Government's Guidance on Local Government Investments ("the Guidance");
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code");
- CIPFA Treasury Management Guidance Notes 2018.

8.2.3 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.

8.2.4 The above guidance from the Welsh Government and CIPFA place a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:-

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration, the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This Authority has defined the list of **types of investment instruments** that the Treasury Management Team are authorised to use. There are two lists in **Appendix 7** under the categories of 'specified' and 'non-specified' investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments by ensuring that no non-specific investment is undertaken without the prior consent of the Council. The Council does not hold any non-specified investments, nor does it intend to during 2022/23 (see **Appendix 7**).
6. **Lending limits** (amounts and maturity) for each counterparty will be set through applying the matrix table as set out in the Creditworthiness section of this strategy.
7. **Transaction limits** are set for each type of investment in **Appendix 8**.
8. This Authority will set a limit for the amount of its investments which are invested for **longer than 365 days** (see **Appendix 11**).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see **Appendix 9**).
10. This Authority has engaged **external consultants** to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2022/23 under **IFRS 9**, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. The Welsh Government has passed a statutory override to allow Welsh local authorities time to adjust their portfolio of all pooled investments by delaying implementation of IFRS 9 for five years until 31.03.23.

8.3. Creditworthiness Policy

8.3.1 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:-

- It maintains a policy covering the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

- 8.3.2** The Section 151 Officer will maintain a counterparty list in compliance with the criteria set out in **Appendix 8** and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 8.3.3** Credit rating information is supplied the Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 8.3.4** As an additional layer to the minimum credit rating criteria described above, this Council also employs the creditworthiness service provided by Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:-
- Credit watches and credit outlooks from credit rating agencies;
 - Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
 - Sovereign ratings to select counterparties from only the most creditworthy countries.
- 8.3.5** This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads from which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council, at the discretion of the Section 151 Officer, to assist in determining the duration for investments. The Council will, therefore, normally use counterparties within the following durational bands:-
- | | |
|--------------|--|
| Yellow: | 5 years * |
| Dark pink : | 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25 |
| Light pink : | 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5 |
| Purple: | 2 years |
| Blue: | 1 year (only applies to nationalised or semi nationalised UK Banks) |
| Orange: | 1 year |
| Red: | 6 months |
| Green: | 100 days |
| No colour: | not to be used |
- 8.3.6** The Link creditworthiness service uses a wider array of information than just primary ratings and, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 8.3.7** Typically, the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

- 8.3.8** All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.
- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - In addition to the use of credit ratings, the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 8.3.9** Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information and information on any external support for banks to help support its decision making process.
- 8.3.10** Significant levels of downgrades to Short and Long Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.
- 8.3.11** Although bank CDS prices (these are market indicators of credit risk), spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

8.4. Country Limits

- 8.4.1** The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix 9**. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

9. GOVERNANCE AND CONTROL

- 9.1.** The Prudential Code reflects a move towards self regulation for local authorities and effective corporate governance is one of the key elements to the successful implementation of the Code.
- 9.2.** Corporate Governance includes the following elements:-
- A formal role for the Section 151 Officer;
 - Setting and monitoring of Prudential and Treasury Indicators;
 - A scheme of delegation and a process of formal approval;
 - Reporting on Treasury Management matters to Members.
- 9.3. Role of the Section 151 Officer and Members**
- 9.3.1** The Section 151 Officer is responsible for ensuring that matters relating to Treasury Management and Capital Financing are taken into account and reported to the Executive / full Council for consideration and that procedures are established to monitor performance.

- 9.3.2** The Section 151 Officer must ensure that prudential indicators are set and monitored in order to demonstrate the legislative requirement that the Council's financial plans are affordable.
- 9.3.3** Members also play an important role in not just authorising the relevant decisions but also in scrutinising treasury management processes, decisions and performance. In order to undertake this role, the CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. In order to support the scrutiny role of the members of the Governance & Audit Committee, the Committee's members received training in treasury management, delivered by the appointed treasury management consultants on 7 November 2019. Further training will be arranged when required. The training needs of treasury management officers are regularly reviewed and addressed.
- 9.3.4** The Treasury Management Scheme of Delegation and a fuller explanation of the role of the Section 151 Officer is set out in **Appendix 10**.

9.4. Treasury Management Advice

- 9.4.1** The Council uses Link Group, Treasury Solutions as its external treasury management advisors. The Council exercised the option to extend the services provided by Link Group as per the contract conditions for two years, ending 31 March 2021. In accordance with procurement regulations, the Council retendered this service during early 2021 for the period 1 April 2021 to 31 March 2024 with an option to extend for two years, with Link Group, Treasury Solutions being the successful tender.
- 9.4.2** The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers. Final responsibility for treasury management decisions remains with the Council.
- 9.4.3** It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9.5. Prudential and Treasury Indicators

- 9.5.1.** The Prudential and Treasury Indicators set out in **Appendix 11** cover affordability, prudence and sets out limits for capital expenditure, external debt and the structure of the debt. It is for the Council to set the Prudential Indicators and it is important to not just consider the indicators for each individual year in isolation, but also to consider the past performance and the future forecasts. A fuller explanation of the purpose of each indicator is set out in **Appendix 12**.

9.6. Reporting

- 9.6.1** The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals. These reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Governance & Audit Committee.
- 9.6.2** Prudential and Treasury Management Indicators and Treasury Strategy - the first and most important report (this report) is forward looking and covers:-
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury management indicators;
 - an Investment Strategy (the parameters on how investments are to be managed);
 - a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);

- a Treasury Management Policy Statement (definition of the policies and objectives of the treasury management function); and
 - the capital plans (including the associated prudential indicators).
- 9.6.3** A Mid-Year Treasury Management Report - this will update Members with the progress of the capital position, amending prudential indicators as necessary and whether the treasury strategy is meeting its objectives or whether any policies require revision.
- 9.6.4** An Annual Treasury Report - this is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Treasury Management Policy Statement

1. CIPFA defines its treasury management activities as: “The management of the Authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is, therefore, committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The CIPFA Treasury Management in the Public Services: Code of Practice

The key principles of CIPFA's *Treasury Management in the Public Services: Code of Practice (2021 Edition)*, as described in Section 4 of that Code are as follows:-

Key Principle 1:

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

Key Principle 2:

Their policies and practices should make clear that the effective management and control of risks are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management funds.

Key Principle 3:

They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that, within the context of effective risk management, their treasury management policies and practices should reflect this.

The Code then goes on to say that:-

“In framing these recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money. This code does not seek to be prescriptive about how this issue should be handled, particularly since it covers such a wide variety of organisations. However, where appropriate, the sector specific guidance notes give suitable advice. CIPFA recognises that no two organisations in the public services are likely to tackle this issue in precisely the same manner but success in this area of treasury management is likely to be viewed, especially in value for money terms, as an indicator of a strongly performing treasury management function.”

“It is CIPFA's view that throughout the public services the priority is to protect capital rather than to maximise return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money.”

Accordingly, the Authority will adopt, as part of the standing orders, the following four clauses:-

1. The Authority will create and maintain, as the cornerstones for effective treasury management:-
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
 - suitable treasury management practices (TMPs) setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the Policy Statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Authority. Such amendments will not result in the Authority materially deviating from the Code's key principles.

2. The County Council, Executive Committee and the Governance & Audit Committee will receive reports on the Authority's treasury management policies, practices and activities, including: an annual strategy and plan in advance of the year, a mid-year review report and an annual report after its close, in the form prescribed in the TMPs.
3. The County Council/Executive Committee are responsible for the implementation of the Authority's treasury management policies and practices in accordance with the Treasury Management Scheme of Delegation. The Section 151 Officer is responsible for the execution and administration of treasury management decisions, who will act in accordance with the Authority's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
4. The Authority nominates the Governance & Audit Committee to be responsible for ensuring effective scrutiny of treasury management strategy and policies.

ECONOMIC BACKGROUND

- **COVID-19 vaccines.**

These were the game changer during 2021 which raised high hopes that life in the UK would be able to largely return to normal in the second half of the year. However, the bursting onto the scene of the Omicron mutation at the end of November, rendered the initial two doses of all vaccines largely ineffective in preventing infection. This has dashed such hopes and raises the spectre again that a fourth wave of the virus could overwhelm hospitals in early 2022. What we now know is that this mutation is very fast spreading with the potential for total case numbers to double every two to three days, although it possibly may not cause so much severe illness as previous mutations. Rather than go for full lockdowns which heavily damage the economy, the government strategy this time is focusing on getting as many people as possible to have a third (booster) vaccination after three months from the previous last injection, as a booster has been shown to restore a high percentage of immunity to Omicron to those who have had two vaccinations. There is now a race on between how quickly boosters can be given to limit the spread of Omicron, and how quickly will hospitals fill up and potentially be unable to cope. In the meantime, workers have been requested to work from home and restrictions have been placed on large indoor gatherings and hospitality venues. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in sectors like restaurants, travel, tourism and hotels which had been hit hard during 2021, but could now be hit hard again by either, or both, of government restrictions and/or consumer reluctance to leave home. Growth will also be lower due to people being ill and not working, similar to the pandemic in July. The economy, therefore, faces significant headwinds although some sectors have learned how to cope well with Covid. However, the biggest impact on growth would come from another lockdown if that happened. The big question still remains as to whether any further mutations of this virus could develop which render all current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread until tweaked vaccines become widely available.

- **A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE**

- In December, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.
- If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3rd February.
- With inflation expected to peak at around 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.
- Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.
- However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next down-turn; all rates under 2% are providing stimulus to economic growth.
- We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.
- Covid remains a major potential downside threat in all three years as we ARE likely to get further mutations.
- How quickly can science come up with a mutation proof vaccine, or other treatment, – and for them to be widely administered around the world?
- Purchases of gilts under QE ended in December. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE.

- **MPC MEETING 16TH DECEMBER 2021**

- The Monetary Policy Committee (MPC) voted 8-1 to raise Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Until Omicron burst on the scene, most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the way that inflationary pressures have been comprehensively building in both producer and consumer prices, and in wage rates. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over the end of the furlough scheme on 30th September without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.
- On 10th December we learnt of the disappointing 0.1% m/m rise in GDP in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.
- On 14th December, the labour market statistics for the three months to October and the single month of October were released. The fallout after the furlough scheme was smaller and shorter than the Bank of England had feared. The single-month data were more informative and showed that LFS employment fell by 240,000, unemployment increased by 75,000 and the unemployment rate rose from 3.9% in September to 4.2%. However, the weekly data suggested this didn't last long as unemployment was falling again by the end of October. What's more, the 49,700 fall in the claimant count and the 257,000 rise in the PAYE measure of company payrolls suggests that the labour market strengthened again in November. The other side of the coin was a further rise in the number of vacancies from 1.182m to a record 1.219m in the three months to November which suggests that the supply of labour is struggling to keep up with demand, although the single-month figure for November fell for the first time since February, from 1.307m to 1.227m.
- These figures by themselves, would probably have been enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting. However, the advent of Omicron potentially threw a spanner into the works as it poses a major headwind to the economy which, of itself, will help to cool the economy. The financial markets, therefore, swung round to expecting no change in Bank Rate.
- On 15th December we had the CPI inflation figure for November which spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).
- Other elements of inflation are also transitory e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.
- Although it is possible that the Government could step in with some fiscal support for the economy, the huge cost of such support to date is likely to pose a barrier to incurring further major economy wide expenditure unless it is very limited and targeted on narrow sectors like hospitality, (as announced just before Christmas). The Government may well, therefore, effectively leave it to the MPC, and to monetary policy, to support economic growth – but at a time when the threat posed by rising inflation is near to peaking!

- This is the adverse set of factors against which the MPC had to decide on Bank Rate. For the second month in a row, the MPC blind-sided financial markets, this time with a surprise increase in Bank Rate from 0.10% to 0.25%. What's more, the hawkish tone of comments indicated that the MPC is now concerned that inflationary pressures are indeed building and need concerted action by the MPC to counter. This indicates that there will be more increases to come with financial markets predicting 1% by the end of 2022. The 8-1 vote to raise the rate shows that there is firm agreement that inflation now poses a threat, especially after the CPI figure hit a 10-year high this week. The MPC commented that "there has been significant upside news" and that "there were some signs of greater persistence in domestic costs and price pressures".
- On the other hand, it did also comment that "the Omicron variant is likely to weigh on near-term activity". But it stressed that at the November meeting it had said it would raise rates if the economy evolved as it expected and that now "these conditions had been met". It also appeared more worried about the possible boost to inflation from Omicron itself. It said that "the current position of the global and UK economies was materially different compared with prior to the onset of the pandemic, including elevated levels of consumer price inflation". It also noted the possibility that renewed social distancing would boost demand for goods again, (as demand for services would fall), meaning "global price pressures might persist for longer". (Recent news is that the largest port in the world in China has come down with an Omicron outbreak which is not only affecting the port but also factories in the region.)
- On top of that, there were no references this month to inflation being expected to be below the 2% target in two years' time, which at November's meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.
- These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% next April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a "modest tightening" in policy will be required, it cannot be thinking that it will need to increase interest rates that much more. A typical policy tightening cycle has usually involved rates rising by 0.25% four times in a year. "Modest" seems slower than that. As such, the Bank could be thinking about raising interest rates two or three times next year to 0.75% or 1.00%.
- In as much as a considerable part of the inflationary pressures at the current time are indeed transitory, and will naturally subside, and since economic growth is likely to be weak over the next few months, this would appear to indicate that this tightening cycle is likely to be comparatively short.
- As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November's statement that Bank Rate would be raised "in the coming months". That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of QE, (gilts purchased by the Bank would not be replaced when they mature).
- The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 - Raising Bank Rate as "the active instrument in most circumstances".
 - Raising Bank Rate to 0.50% before starting on reducing its holdings.
 - Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 - Once Bank Rate had risen to at least 1%, it would start selling its holdings.
- **US.** Shortages of goods and intermediate goods like semi-conductors, have been fuelling increases in prices and reducing economic growth potential. In November, CPI inflation hit a near 40-year record level of 6.8% but with energy prices then falling sharply, this is probably the peak. The biggest problem for the Fed is the mounting evidence of a strong pick-up in cyclical price pressures e.g., in rent which has hit a decades high.

- Shortages of labour have also been driving up wage rates sharply; this also poses a considerable threat to feeding back into producer prices and then into consumer prices inflation. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target.
- Inflation hitting 6.8% and the feed through into second round effects, meant that it was near certain that the Fed's meeting of 15th December would take aggressive action against inflation. Accordingly, the rate of tapering of monthly \$120bn QE purchases announced at its November 3rd meeting, was doubled so that all purchases would now finish in February 2022. In addition, Fed officials had started discussions on running down the stock of QE held by the Fed. Fed officials also expected three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy. The first increase could come as soon as March 2022 as the chairman of the Fed stated his view that the economy had made rapid progress to achieving the other goal of the Fed – "maximum employment". The Fed forecast that inflation would fall from an average of 5.3% in 2021 to 2.6% in 2023, still above its target of 2% and both figures significantly up from previous forecasts. What was also significant was that this month the Fed dropped its description of the current level of inflation as being "transitory" and instead referred to "elevated levels" of inflation: the statement also dropped most of the language around the flexible average inflation target, with inflation now described as having exceeded 2 percent "for some time". It did not see Omicron as being a major impediment to the need to take action now to curtail the level of inflationary pressures that have built up, although Fed officials did note that it has the potential to exacerbate supply chain problems and add to price pressures.
- **EU.** The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery was then within 0.5% of its pre Covid size. However, the arrival of Omicron is now a major headwind to growth in quarter 4 and the expected downturn into weak growth could well turn negative, with the outlook for the first two months of 2022 expected to continue to be very weak.
- November's inflation figures breakdown shows that the increase in price pressures is not just due to high energy costs and global demand-supply imbalances for durable goods as services inflation also rose. Headline inflation reached 4.9% in November, with over half of that due to energy. However, oil and gas prices are expected to fall after the winter and so energy inflation is expected to plummet in 2022. Core goods inflation rose to 2.4% in November, its second highest ever level, and is likely to remain high for some time as it will take a long time for the inflationary impact of global imbalances in the demand and supply of durable goods to disappear. Price pressures also increased in the services sector, but wage growth remains subdued and there are no signs of a trend of faster wage growth which might lead to persistently higher services inflation - which would get the ECB concerned. The upshot is that the euro-zone is set for a prolonged period of inflation being above the ECB's target of 2% and it is likely to average 3% in 2022, in line with the ECB's latest projection.
- **ECB tapering.** The ECB has joined with the Fed by also announcing at its meeting on 16th December that it will be reducing its QE purchases - by half from October 2022, i.e., it will still be providing significant stimulus via QE purchases for over half of next year. However, as inflation will fall back sharply during 2022, it is likely that it will leave its central rate below zero, (currently -0.50%), over the next two years. The main struggle that the ECB has had in recent years is that inflation has been doggedly anaemic in sticking below the ECB's target rate despite all its major programmes of monetary easing by cutting rates into negative territory and providing QE support.
- The ECB will now also need to consider the impact of Omicron on the economy, and it stated at its December meeting that it is prepared to provide further QE support if the pandemic causes bond yield spreads of peripheral countries, (compared to the yields of northern EU countries), to rise. However, that is the only reason it will support peripheral yields, so this support is limited in its scope.

- The EU has entered into a period of political uncertainty where a new German government formed of a coalition of three parties with Olaf Scholz replacing Angela Merkel as Chancellor in December 2021, will need to find its feet both within the EU and in the three parties successfully working together. In France there is a presidential election coming up in April 2022 followed by the legislative election in June. In addition, Italy needs to elect a new president in January with Prime Minister Draghi being a favourite due to having suitable gravitas for this post. However, if he switched office, there is a significant risk that the current government coalition could collapse. That could then cause differentials between Italian and German bonds to widen when 2022 will also see a gradual running down of ECB support for the bonds of weaker countries within the EU. These political uncertainties could have repercussions on economies and on Brexit issues.
- **CHINA.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of 2020; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021.
- However, the pace of economic growth has now fallen back in 2021 after this initial surge of recovery from the pandemic and looks likely to be particularly weak in 2022. China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. Chinese consumers are also being very wary about leaving home and so spending money on services. However, with Omicron having now spread to China, and being much more easily transmissible, this strategy of sharp local lockdowns to stop the virus may not prove so successful in future. In addition, the current pace of providing boosters at 100 billion per month will leave much of the 1.4 billion population exposed to Omicron, and any further mutations, for a considerable time. The People's Bank of China made a start in December 2021 on cutting its key interest rate marginally so as to stimulate economic growth. However, after credit has already expanded by around 25% in just the last two years, it will probably leave the heavy lifting in supporting growth to fiscal stimulus by central and local government.
- Supply shortages, especially of coal for power generation, were causing widespread power cuts to industry during the second half of 2021 and so a sharp disruptive impact on some sectors of the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.
- **JAPAN.** 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy has been rebounding rapidly in 2021 once the bulk of the population had been double vaccinated and new virus cases had plunged. However, Omicron could reverse this initial success in combating Covid.
- The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was actually negative in July. New Prime Minister Kishida, having won the November general election, brought in a supplementary budget to boost growth, but it is unlikely to have a major effect.
- **WORLD GROWTH.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. While headline inflation will fall sharply, core inflation will probably not fall as quickly as central bankers would hope. It is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

- **SUPPLY SHORTAGES.** The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Link Group, Treasury Solutions

**Rhagolygon Graddfeydd Llog 2021/2025
Interest Rate Forecasts 2021/2025**

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

The Link forecasts are as at 20.12.21 and will be updated after the MPC meeting on 3.2.22. The Capital Economics forecasts are as at 12.1.22.

Link Group Interest Ra 20.12.21													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30
Bank Rate													
Link	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
Capital Economics	0.50	0.75	0.75	1.00	1.25	1.25	1.25	1.25	-	-	-	-	-
5yr PWLB Rate													
Link	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
Capital Economics	1.80	1.90	2.10	2.20	2.20	2.30	2.40	2.40	-	-	-	-	-
10yr PWLB Rate													
Link	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
Capital Economics	2.00	2.10	2.20	2.30	2.30	2.40	2.50	2.50	-	-	-	-	-
25yr PWLB Rate													
Link	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
Capital Economics	2.20	2.30	2.50	2.70	2.70	2.70	2.80	2.90	-	-	-	-	-
50yr PWLB Rate													
Link	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30
Capital Economics	1.90	2.00	2.20	2.40	2.50	2.60	2.70	2.90	-	-	-	-	-

Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Link Group, Treasury Solutions

Significant risks to the forecasts

- Mutations of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns. 25% of the population not being vaccinated is also a significant risk to the NHS being overwhelmed and lockdowns being the only remaining option.
- Labour and supply shortages prove more enduring and disruptive and depress economic activity.
- The Monetary Policy Committee acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- The Monetary Policy Committee tightens monetary policy too late to ward off building inflationary pressure
- The Government acts too quickly to cut expenditure to balance the national budget.
- UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- Longer term US treasury yields rise strongly and pull gilt yields up higher than forecast
- Major stock markets e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- Geopolitical risks, for example in Ukraine, Iran, North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- We do not know how severe an impact Omicron could have on the economy and whether there will be another lockdown or similar and, if there is, whether there would be significant fiscal support from the Government for businesses and jobs.
- There were already increasing grounds for viewing the economic recovery as running out of steam during the autumn and now into the winter. And then along came Omicron to pose a significant downside threat to economic activity. This could lead into stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- It looks as if the economy coped well with the end of furlough on 30th September. It is estimated that there were around 1 million people who came off furlough then and there was not a huge spike up in unemployment. The other side of the coin is that vacancies have been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services i.e., a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
- We also recognise there could be further nasty surprises on the Covid front beyond the Omicron mutation.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.

In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with whatever the new news is.

It should also be borne in mind that Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

DADANSODDIAD BENTHYCIADAU PWLB YN AEDDFEDU 2022/23 YMLAEN / PWLB LOANS MATURITY ANALYSIS 2022/23 ONWARDS						
	Aeddfedu PWLB Maturity	Blwydd-dal PWLB EIP/ Annuity	Benthyciadau Marchnad/ Market Loans	Amrywiol/ PWLB Variable	Cyfanswm yn Aeddfedu/ Total Maturing	%Yn Aeddfedu o'r Cyfran yn sefyll/ Maturing of Total Outstanding
	£'000	£'000	£'000	£'000	£'000	%
2022/23	2,285	15	0	0	2,300	1.9
2023/24	1,854	16	0	0	1,870	1.5
2024/25	0	18	0	0	18	0.0
2025/26	0	20	0	0	20	0.0
2026/27	1,382	22	0	0	1,404	1.2
2027/28	2,165	24	0	0	2,189	1.8
2028/29	262	26	0	0	288	0.2
2029/30	1,538	21	0	0	1,559	1.3
2030/31	451	15	0	0	466	0.4
2031/32	1,941	9	0	0	1,950	1.6
2032/33	315	7	0	0	323	0.3
2033/34	637	0	0	0	637	0.5
2034/35	624	0	0	0	624	0.5
2035/36	611	0	0	0	611	0.5
2036/37	599	0	0	0	599	0.5
2037/38	587	0	0	0	587	0.5
2038/39	225	0	0	0	225	0.2
2039/40	5,000	0	0	0	5,000	4.1
2040/41	3,500	0	0	0	3,500	2.9
2042/43	1,000	0	0	0	1,000	0.8
2043/44	1,020	0	0	0	1,020	0.8
2044/45	1,010	0	0	0	1,010	0.8
2045/46	11,464	0	0	0	11,464	9.4
2050/51	2,000	0	0	0	2,000	1.6
2052/53	28,238	0	0	0	28,238	23.2
2054/55	3,000	0	0	0	3,000	2.5
2055/56	3,500	0	0	0	3,500	2.9
2056/57	5,000	0	0	0	5,000	4.1
2057/58	8,513	0	0	0	8,513	7.0
2059/60	1,763	0	0	0	1,763	1.4
2064/65	10,000	0	0	0	10,000	8.2
2066/67	6,200	0	0	0	6,200	5.1
2068/69	15,000	0	0	0	15,000	12.3
	121,684	193	0	0	121,877	100.0
Cyfartaledd bywyd (blynyddoedd)/ Average life (years)	30.42	4.63	0.00	0.00	30.38	
Cyfartaledd graddfa (%)/ Average rate (%)	4.58	9.42	0.00	0.00	4.58	

PROFFIL AD-DALU BENTHYCIADAU ERAILL 2022/23 YMLAEN /						
OTHER LOANS REPAYMENT PROFILE 2022/23 ONWARDS						
	Benthyciad Salix Loan 1	Benthyciad Salix Loan 2	Benthyciad Salix Loan 3	Benthyciad Salix Loan 4	Benthyciad Salix Loan 5	Cyfanswm / Total
	£'000	£'000	£'000	£'000	£'000	£'000
2022/23	16	46	64	26	220	372
2023/24	16	46	64	26	220	372
2024/25	9	45	64	26	220	364
2025/26	0	45	64	26	220	355
2026/27	0	0	63	27	220	310
2027/28	0	0	63	27	220	310
2028/29	0	0	63	27	221	311
2029/30	0	0	0	13	221	234
2030/31	0	0	0	0	221	221
2031/32	0	0	0	0	222	222
Cyfanswm / Total	41	182	445	198	2,205	3,071

Minimum Revenue Provision Policy Statement 2022/23

The Council is required to pay off an element of the accumulated Council Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision, MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision, VRP).

The Welsh Government regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options is provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:-

For capital expenditure incurred between 1 April 2008 and 31 March 2018, financed by supported borrowing, the MRP policy will be to charge MRP on the Equal Instalment method, Asset Life basis over 50 years. The MRP on capital expenditure funded by unsupported borrowing during this period has already been charged using the Equal Instalment method, Asset Life basis using the estimated lives of the assets, based on information available at that time. This change in policy realigns the MRP policies for assets funded by supported borrowing and assets funded by unsupported borrowing.

From 1st April 2018 for all supported and unsupported borrowing (including PFI and finance leases), the MRP policy will also be the Equal Instalment Annuity Method, the Asset Life basis. However, the estimated life periods, will be set by the Section 151 Officer based upon advice received from the relevant officers and will have regard to Welsh Government guidance in relation to MRP and asset lives. Where land is purchased, the asset life will be based on the asset life of the asset placed on the land, which in the majority of cases will be 50 years in line with the asset life for buildings.

MRP charges based on asset life would not be charged until the year the asset becomes operational. The Section 151 Officer may postpone the MRP charge until the financial year following the one in which the asset becomes operational. The estimated asset life of the asset would be determined in the year the MRP commences and would not change over the life of the asset. The estimated life periods will be set by the Section 151 Officer based upon advice received from the relevant officers and will have regard to Statutory requirements and Welsh Government guidance in relation to MRP and asset life. Where land is purchased, the asset life will be based on the asset life of the asset placed on the land, which in the majority of cases will be 50 years in line with the asset life for buildings.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis, which most reasonably reflects the anticipated period of benefit that arises from the expenditure. In addition, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

The Council retains the right to make additional voluntary payments to reduce debt if deemed prudent.

The Housing Revenue Account share of the CFR is subject to a 2% MRP charge, based upon the closing CFR for the previous year, in line with the approved 30-year business plan.

Any repayments included in annual PFI or finance leases are applied as MRP and will be consistent with the asset life basis over the life of the lease or PFI scheme.

Specified and Non-Specified Investments

The Welsh Government 'Guidance on Local Government Investments' (Effective from 1 April 2010) provides the definition of specified and non-specified investments.

Paragraph 5.1 of the 'Guidance' states that an investment is specified if all of the following apply:-

- (a) the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling; and
- (b) the investment is not a long-term investment (*); and
- (c) the making of the investment is not defined as capital expenditure by virtue of regulation 20(1)(d) of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 [SI 3239 as amended]; and
- (ch) the investment is made with a body or in an investment scheme of high credit quality (**); or with one of the following public-sector bodies:
 - (i) the United Kingdom Government;
 - (ii) a local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland;
 - (iii) a parish or community council.

The 'Guidance' also states that any investment not meeting the definition of paragraph 5.1 is classified as a non-specified investment.

During 2022/23 the Council does not intend to make any investments in foreign currencies, nor any with low credit quality bodies, nor any that are defined as capital expenditure by legislation (such as company shares). Non-specified investments will therefore be limited to (i) long-term investments; and (ii) deposits with the Council's own banker for transactional purposes if it fails to meet the basic credit criteria; in this instance balances will be minimised as far as is possible

The table in Appendix 8 set out the investment criteria and limits for the categories of investments intended for use during 2022/23 and, therefore, form the basis for the approved lending list.

Any proposed revisions or amendments during the year to the categories of specified and non-specified investments to be used and / or to the associated credit rating criteria / investment limits will be subject to prior approval by the County Council.

* Section 2.4 of the 'Guidance' defines a long term investment as "any investment other than (a) one which is due to be repaid within 12 months of the date on which the investment was made or (b) one which the local authority may require to be repaid within that period."

** For the purposes of high credit quality the 'Guidance' states that "for the purposes of paragraph 5.1(d), Welsh ministers recommend that the Strategy should define high credit quality (and where this definition refers to credit ratings, paragraph 6.1 (***) is relevant)."

*** Paragraph 6.1 of the 'Guidance' recommends that "the Strategy should set out the authority's approach to assessing the risk of loss of investments, making clear in particular:

- (a) to what extent, if any, risk assessment is based upon credit ratings issued by one or more credit rating agencies;
- (b) where credit ratings are used, how frequently credit ratings are monitored and what action is to be taken when ratings change; and
- (c) what other sources of information on credit risk are used, additional to or instead of credit ratings."

The table in Appendix 8 of this strategy sets out what this Council defines as high credit quality and the associated investment criteria and limits and section 7.3 of this strategy sets out the Council's creditworthiness approach.

Counterparty Criteria

Category	Short Term Credit Rating (Fitch)	Short Term Credit Rating (Moody's)	Short Term Credit Rating (Standard & Poor's)	Long Term Credit Rating (Fitch)	Long Term Credit Rating (Moody's)	Long Term Credit Rating (Standard & Poor's)	Cash Limit	Time Limit
Bank and Building Societies (not nationalised or part nationalised)	F1+	P-1	A-1+	AAA	Aaa	AAA	£10m	5 years
	F1+	P-1	A-1+	AA	Aa2	AA	£10m	3 years
	F1+	P-1	A-1+	AA-	Aa3	AA-	£10m	364 days
	F1	P-1	A-1	A	A2	A	£7.5m	6 months
Nationalised / Part Nationalised UK Banks	n/a	n/a	n/a	n/a	n/a	n/a	£10m	364 days
NatWest Bank (Part Nationalised)	n/a	n/a	n/a	n/a	n/a	n/a	£30m	364 days
UK Central Government (irrespective of credit rating)	n/a	n/a	n/a	n/a	n/a	n/a	No maximum	No maximum
UK Local Authorities*	n/a	n/a	n/a	n/a	n/a	n/a	£5m	364 days
Money Market Funds	n/a	n/a	n/a	AAA	AAA	AAA	£5m	6 months

*as defined in the Local Government Act 2003

Notes and Clarifications**(1) Cash Limit**

- (i) The cash limits apply both to the individual counterparty and to the overall group to which it belongs (e.g. for the banks within the Lloyds Banking Group plc (being Bank of Scotland plc and Lloyds Bank plc), the investment limit applies to those banks individually and the banking group as a whole);
- (ii) The overall cash limit for deposits over 364 days is £15m.

(2) Time Limit

- (i) This up to and including the period indicated.

(3) Foreign Countries

- (i) Investments in foreign countries will be limited to those that hold a sovereign credit rating of (Fitch) AA- or equivalent (from the agencies referred to in section 4.3 of this strategy) sovereign credit rating (based upon the lowest common denominator), and to a maximum of £10 million per foreign country.
- (ii) Investments in countries whose lowest sovereign rating is not AA- or above will not be permitted. No country limit will apply to investments in the UK, irrespective of the sovereign credit rating.
- (iii) Subsidiaries of foreign banking groups will normally be assessed according to the country of domicile of the parent organisation. However, Santander UK plc (a subsidiary of Spain's Banco Santander) will be classed as a UK bank due to its substantial UK franchises and the arms-length nature of the parent-subsidary relationships.
- (iv) Sovereign credit rating criteria and foreign country limits will not apply to investments in multilateral development banks (e.g. the European Investment Bank and the World Bank) or other supranational organisations (e.g. the European Union).

(4) Credit Rating Downgrade

Should a credit rating downgrade place a counterparty below the minimum credit rating criteria for investment, the counterparty will cease to be used as soon as practicable.

If the Section 151 Officer wishes to continue investing with that counterparty approval will be sought from the Chair of the Governance & Audit Committee plus one other member of the Chair's choosing, who both must approve the action. This will then be reported as appropriate at the next available opportunity.

Approved countries for investments [correct as at 21 December 2021]

This list is based on those countries which have sovereign ratings of AA- or higher (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link Group, Treasury Solutions credit worthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

Treasury management scheme of delegation

(i) County Council

- budget approval;
- approval of the annual Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy, annual Treasury Management Policy Statement and amendments thereto;
- approval of amendments to the Council's adopted clauses;
- receiving and reviewing monitoring reports on treasury management policies, practices and activities; and
- acting on recommendations received from the Governance & Audit Committee and/or Executive Committee.

(ii) Executive Committee

- budget consideration;
- approval of the division of responsibilities;
- approval of the selection of external service providers and agreeing terms of appointment;
- receiving and reviewing monitoring reports on treasury management policies, practices and activities and making recommendations to the County Council as appropriate; and
- acting on recommendations received from the Governance & Audit Committee.

(iii) Governance & Audit Committee

- Scrutiny of Treasury Management matters as required by CIPFA's Code of Practice on Treasury Management and the Council's Treasury Management Policy. This includes:-
 - scrutinising the annual Treasury Management Strategy Statement, Annual Investment Strategy, Annual MRP Policy, Annual Treasury Management Policy and Treasury Management Practices and making recommendations to the Executive Committee and County Council as appropriate;
 - scrutinising proposals for amendments to the annual Treasury Management Strategy Statement, Annual Investment Strategy, Annual MRP Policy, Annual Treasury Management Policy and Treasury Management Practices and to the adopted clauses and making recommendations to the Executive and County Council as appropriate;
 - receiving and scrutinising any other proposals relating to the treasury management which require a decision by the Executive or County Council; and
 - receiving and scrutinising monitoring reports on treasury management policies, practices and activities and make recommendations to the Executive and County Council as appropriate.

The Treasury Management role of the Section 151 Officer

The Section 151 (responsible) Officer's role includes:-

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;

- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- responsibility for the execution and administration of its Treasury decisions, including decision on borrowing, investment and financing, have been delegated to the Section 151 Officer, who will act in accordance with the Council's policy statements and TMP's;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Authority;
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that Members are adequately informed and understand the risk exposures taken on by the Authority;
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

**PRUDENTIAL & TREASURY INDICATORS
BUDGET SETTING 2022/23**

APPENDIX 11

No.	Indicator	2020/21 out-turn	2021/22 estimate	2022/23 proposal	2023/24 proposal	2024/25 proposal
Affordability						
1,2	Estimates of [or actual] ratio of financing costs to net revenue stream:					
	Council Fund	4.75%	4.55%	4.40%	4.43%	4.44%
	Housing Revenue Account (inclusive of settlement)	16.52%	9.04%	13.40%	14.12%	13.83%
	Total	6.12%	5.08%	5.42%	5.57%	5.56%
Prudence						
3	Gross debt and the Capital Financing Requirement (CFR)	✓	✓	✓	✓	✓
	<i>Is the gross external debt < the CFR for the preceding year plus the estimates of any additional CFR for the current and the next two financial years?</i>			✓	✓	✓
Capital Expenditure		£'000	£'000	£'000	£'000	£'000
4,5	Estimates of [or actual] capital expenditure					
	Council Fund	20,507	25,427	17,177	9,408	8,277
	Housing Revenue Account	12,622	13,641	18,784	22,009	18,550
	Total	33,129	39,068	35,961	31,417	26,827
6,7	Estimates of [or actual] Capital Financing Requirement					
	Council Fund	97,360	102,531	107,867	109,195	110,728
	Housing Revenue Account	39,200	38,415	43,646	52,273	56,828
	Total	136,560	140,946	151,513	161,468	167,556
External Debt		£'000	£'000	£'000	£'000	£'000
8	Authorised Limit					
	: General Borrowing	175,000	175,000	180,000	190,000	198,000
	: Other long term liabilities	5,000	5,000	5,000	5,000	5,000
	: Total	180,000	180,000	185,000	195,000	203,000

9	Operational Boundary					
	: General Borrowing	170,000	170,000	175,000	185,000	193,000
	: Other long term liabilities	5,000	5,000	5,000	5,000	5,000
	: Total	175,000	175,000	180,000	190,000	198,000
10	Actual External Debt	124,524				
Treasury Management		2020/21 out-turn	2021/22 estimate	2022/23 proposal	2023/24 proposal	2024/25 proposal
11	The Local Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services	✓	✓	✓	✓	✓
		£'000	£'000	£'000	£'000	£'000
12	Gross and net debt	100%	100%	100%	100%	100%
	<i>The upper limit on the net debt as a proportion of gross debt</i>					
13	The upper limit on fixed rate exposures: (net principal outstanding)	155,000	155,000	160,000	170,000	178,000
14	The upper limit on variable rate exposures: (net principal outstanding)	20,000	20,000	20,000	20,000	20,000
15	The limit for total principal sums invested for periods longer than 364 days (any long term investments carried forward from previous years will be included in each year's limit)	15,000	15,000	15,000	15,000	15,000
				2022/23 upper limit	2022/23 lower limit	
16	The upper and lower limits for the maturity structure of fixed rate borrowing					
	• under 12 months			20%	0%	
	• 12 months and within 24 months			20%	0%	
	• 24 months and within 5 years			50%	0%	
	• 5 years and within 10 years			75%	0%	
	• 10 years and above			100%	0%	
				no change	no change	

Information on Prudential & Treasury Management indicators

A) Affordability

1 & 2 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

The estimates of financing costs include current commitments and the proposals in this budget report.

B) Prudence

3 Gross Debt and the CFR

The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

C) Capital expenditure

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

4 & 5 Estimates of Capital Expenditure

This is the forecast Capital Expenditure from 2021/22 to 2024/25, and is based on the Capital Programme for 2021/22 and the Capital Strategy for 2022/23.

6 & 7 The Council's borrowing need (the Capital Financing Requirement)

Another prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £nil of such schemes within the CFR.

CH) External Debt

8. **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Section 151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

9. **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Glossary

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 REQUIREMENT

The total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.

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.

CIPFA

This is The Chartered Institute of Public Finance and Accountancy, the lead professional and regulatory body for local Authority accounting.

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.

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.

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.

NET DEBT

The Net Debt is the Council's borrowings less cash and liquid resources.

PUBLIC WORKS LOANS BOARD (PWLB)

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.

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.

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.

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	COUNTY COUNCIL
Date:	10 MARCH 2022
Subject:	CAPITAL STRATEGY
Portfolio Holder(s):	COUNCILLOR ROBIN WYN WILLIAMS
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / S151 OFFICER
Report Author:	CLAIRE KLIMASZEWSKI – FINANCE MANAGER
Tel:	01248 752133
E-mail:	ClaireKlimaszewski@ynysmon.gov.uk
Local Members:	
A – Recommendation/s and reason/s	
<p>The revised CIPFA Prudential Code, September 2017, introduced the requirement that all authorities must produce a capital strategy. This must set out the long-term context in which capital expenditure and investment decisions are made. This requirement is aimed at ensuring that authorities take capital and investment decisions in line with service objectives and properly take into account stewardship, value for money, prudence, sustainability and affordability.</p> <p>CIPFA have published additional guidance on Capital Strategies in 2021, which includes good practice examples. This Capital Strategy aims to incorporate these requirements as much as possible within the short timeframe before the deadline for the 2022/23 Capital Strategy. The guidance acknowledges that Councils might not have the capacity to fully meet the guidance and encourages local authorities to develop their capital strategies as time goes on. The Executive Manager is leading on a revised approach to the Capital Strategy for the period 2023/24 onwards.</p> <p>Recommendations</p> <p>The Council is requested to :-</p> <ul style="list-style-type: none"> • Approve the Capital Strategy for 2022/23 as detailed in Appendices 1 and 2 below. 	
B – What other options did you consider and why did you reject them and/or opt for this option?	
Not applicable as this is required by CIPFA.	
C – Why is this a decision for the County Council?	
In accordance with CIPFA requirements and the Council's Constitution where it is recommended that Full Council approve the Capital Strategy 2022/23.	
CH – Is this decision consistent with policy approved by the full Council?	
The Capital Strategy will be discussed at full Council, where approval of the Capital Strategy 2022/23 will be requested.	

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

The Capital Strategy guides what is included in each annual Capital Budget which will be approved by full Council.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	The Capital Strategy includes long-term strategy in relation to the Sustainable Communities for Learning for long-term improvements to schools, long-term investment in HRA Council Dwellings and long-term support for the Council's existing assets / replacement IT equipment.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	No
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	The Capital Strategy acknowledges the important role of partnership working, particularly in relation to the North Wales Growth bid.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	Yes, indirectly through the consultation on the Council Plan and relevant operational plans and consultation as part of the annual capital budget setting.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The Capital Strategy helps to ensure that buildings are accessible to enable equal access and the strategy earmarks funding for Disabled Facilities Grants for individuals with disabilities.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The Capital Strategy will directly support social-economic disadvantage through improvements to school facilities, increased and refurbished Council housing, among other projects.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	The capital projects benefit Welsh, English and individuals who speak other languages. More directly, new schools and refurbished schools will benefit Welsh speakers as most Anglesey schools teach through the medium of Welsh and teach English language and literature. The requirements to support Smallholdings helps preserve the agricultural culture of Anglesey, including the Welsh Language which is spoken by many tenants.

E - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	To be discussed
2	Finance / Section 151 (mandatory)	Report of the Section 151 Officer
3	Legal / Monitoring Officer (mandatory)	To be discussed at SLT.
4	Human Resources (HR)	Not applicable – no staffing implications.
5	Property	The Smallholdings Section has input into the Capital Strategy.
6	Information Communication Technology (ICT)	The Digital Schools Strategy 2022/23 is discussed in the Capital Strategy.
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	This Strategy includes commitment for the Council to work as part of the North Wales Growth Deal
F - Appendices:		
Appendix 1 – Capital Strategy 2022/23 Appendix 2 – Summary of Draft Proposed Capital Programme 2022/23		
FF - Background papers (please contact the author of the Report for any further information):		
Treasury Management Strategy Statement 2022/23, the Executive, 3 March 2022; Medium Term Financial Plan 2022/23 to 2023/24, the Executive, 27 September 2021; Draft Capital Budget 2022/23, Initial Proposals, the Executive, 24 January 2022; Capital Programme 2022/23 Report, the Executive, 3 March 2022; Revenue Budget 2022/23, the Executive, 3 March 2022; Council Transitional Plan 2022/23.		

Isle of Anglesey County Council

Capital Strategy 2022/23

1. Introduction

- 1.1 The Capital Strategy is a key part of the Council's strategic planning for the short, medium and long term. Strategic planning is the process the Council uses to help identify what its key priorities and objectives should be for the next year and into the future. This involves significant work and consultation as the Council needs to set its priorities and target its funding on the right services to meet the needs of the citizens of Anglesey, and the Island itself as a place of special significance. The key objectives of the Council are outlined in the Council Plan. This capital strategy looks at what new assets, or improvements to assets such as council buildings, schools, houses, regeneration projects, social care facilities, leisure facilities, are needed to help the Council deliver its key objectives along with its many statutory obligations.
- 1.2 The strategic planning diagram below shows that the starting point of reference, and at the core of the work of the Council, is the Council Plan. This is supplemented by the Council's key strategic plans, some of which are discussed below. The next layer is the Capital Strategy, Treasury Management Strategy and the Medium Term Financial Plan, which are very closely linked and all interconnect. The Capital Strategy builds in key information and requirements from all of these plans. The circle also shows two outer layers, these must align with all of the strategic documents before them.



- 1.3** The current Council Plan 2017/2022 expires in March 2022. Usually, a five-year plan would follow on from this plan. However, the Coronavirus Pandemic has, since March 2020 (in the UK), caused widespread disruption on every level: global, national, local and to individuals. Governments have taken unprecedented actions to mitigate the impact of Covid-19 and to save lives. The impact of the pandemic has been compared to the two World Wars, both financially and on its impact on every aspect of life. The Government has taken out record breaking borrowing to mitigate the crisis which, two years on, is still not over. This means that future funding for the public sector could be at risk, particularly for capital investment. It is difficult to provide a medium-term plan when so much uncertainty exists due to Covid-19 and its variants. The Council has, instead, produced a transitional plan for 2022/23, which takes stock of the events of the past two years and seeks to identify what a new normal would look like for Anglesey and for when Covid-19 becomes more endemic. Alongside this, the Council will complete extensive work to produce a more medium-term Council Plan for 2023/24 and beyond.
- 1.4** The Council's aspiration for the Capital Strategy for Anglesey is that it will not only plan for the short and medium term, but intends to plan for the long term of 20 years. Council assets can cost significant sums of money which in return for the investment tend to last many years. A long term focus is important, not only due to the longevity of the Council's assets, but long term plans can aim for a more transformational change and to ensure that sustainability is a key consideration. There are some objectives that are of such importance and require significant changes, such as Low Carbon targets culminating in the public sector net Zero Carbon target by 2030 to limit climate change. This change will start now with capital projects integrating Low Carbon alternatives and with specific assets such as electric vehicles but also requires sustained, long term transformational change. This Capital Strategy 2022/23 is limited on its long term objectives while the Council re-orientates itself on its journey out of the Pandemic. The Capital Strategy 2023/2024 will provide a more substantial long term view aided by the new Council Plan 2022/27 and as Anglesey's new normal takes shape.
- 1.5** The governance of this strategy follows the same process as the Revenue and Capital Budget Setting Processes and will be presented to the Executive, which will make recommendations to full Council for approval.

2. How the Strategy fits with other documents

2.1 The Council Plan

The Council Plan is the prime document which outlines what the Council aims to achieve during the medium term, usually a period of five years. All other strategies and plans must be aligned to the Council Plan, as shown in the strategic circle in 1.2. Section 1 above highlights that the most recent five year plan expired in March 2022, and a Transitional Plan for 2022/23 has been published as the Council starts to move forward as the Covid-19 becomes a more endemic disease. The three key strategic objectives in the Transitional Plan for 2022/23 are:-

- A.** Re-energising the local economy and embedding positive economic change.
- B.** Enabling the visitor and hospitality sector to capitalise on the Island's increased popularity, whilst protecting our assets and communities.
- C.** Maintaining and modernising critical community services, such as Care and Education across the Island.

<https://www.anglesey.gov.uk/documents/Docs-en/Council/Democracy/Measuring-our-performance/Transitional-Plan/Anglesey-Transitional-Plan.pdf>

A key objective of the Capital Strategy is to ensure that the capital funding available to the Council is spent on projects that assist the Council to deliver its priorities, including maintaining, replacing or / and upgrading existing assets. There are several other key strategic documents which align with the Council Plan. These guide how the Authority works on specific aspects affecting the Council.

The Transitional Plan 2022/23 highlights the important role of the Capital Strategy and capital projects in achieving the Council's three strategic objectives. In total, there are twenty four tasks listed across the three objectives. Half of these are capital projects, with most helping to deliver objectives A and C. The diagram below shows the capital projects mentioned explicitly in the Transitional Plan across the three objectives. This Capital Strategy is, therefore, fundamental to the achievement of the Council's Transitional Plan. The Capital Programme for 2022/23, and potentially 2023/24 should include the below projects / work streams. The numbering on the diagram corresponds to the numbering in the [Council Transitional Plan 2022/23](#).

These are the projects directly named in the Transitional Plan, however, there are capital projects included in the Draft Capital Programme for 2022/23 which are not named in the Council Plan but which are important and contribute to these objectives, such as the public conveniences improvements and the flood alleviation works which will help achieve objective B to help support the Island's increased popularity. There are also capital projects included in the Draft Capital Programme which help to achieve the Capital Strategy objectives, including those highlighted in other strategic plans, such as the requirement to invest in the Council's assets each year.

Capital projects highlighted in the Council Transitional Plan 2022/23 as key actions to help achieve the Council's three key objectives

Objective A: Re-energising the local economy and embedding positive economic change, by:-

01: Constructing 6 new business units on Bryn Cefni Business Park, Llangefni and prepare 6 plots for sale.

01: Constructing 7 new business units at Penrhos, Holyhead in partnership with Welsh Government .

02: Strengthening the role of Holyhead and the Port as a key international "Gateway" by working with partners to: substantially repair the Breakwater, development of the Port including land reclamation; Holyhead Hydrogen Hub; Station improvements.

03: Delivering projects with any capital elements identified in the North Anglesey Economic Regeneration Action Plan, for example, potential new business units.

04: Implementing capital projects which would support the delivery of the North Wales Growth Deal (Covid Recovery prospectus) to support the priority areas to help our economy to recover in the short term.

06: Targeting capital funding to address empty and problematic buildings and deliver any capital green projects to continue to deliver as green, sustainable recovery and to enhance the vitality and viability of Town Centres.

07: Implementing capital projects which help progress the Energy Island Programme, such as those which align with Central and Welsh Government's climate and energy change commitments .

B. Enabling the visitor and hospitality sector to capitalise on the Island's increased popularity whilst protecting our assets, by:-

02: Investing to improve the quality and enjoyment in the Breakwater Country Park, Dingle and maritime infrastructure for the benefit of local residents and visitors.

C. Maintaining and modernising critical community services, such as Care and Education across the Island, by:-

01: Sourcing permanent homes for individuals residing in temporary accommodation.

03: Building 83 new energy efficient homes with A energy performance in line with the Council's Low Carbon Strategy and to increase Council dwellings and affordable homes to meet individuals' housing needs.

04: Further developing Cartrefi Clyd on Anglesey in Rhosybol, Holyhead and Llangristiolus to offer respite and day services for children with disabilities.

05: Progressing a new Extra Care facility in the South of the Island

08: Progressing new primary school facilities in Llangefni.

2.2 The Treasury Management Strategy Statement (TMSS)

This Capital Strategy and the TMSS are very closely linked and both are revised annually. The Capital Strategy will define how the Council spends its capital funding and the TMSS sets out how this will be funded and its impact on the overall financial standing of the Council. Borrowing is a key part of the funding strategy. The details of how the borrowing is undertaken and controlled is also set out in the TMSS.

2.2 The Medium Term Financial Plan

The Medium Term Financial Plan (MTFP) is the fundamental part of financial planning which estimates the Council's revenue requirements over the next three years, and how this will be balanced to the funding available. Capital expenditure will impact on the revenue budget through the Minimum Revenue Provision and the interest payable on borrowing. The Capital Strategy helps to inform the Medium Term Financial Plan.

Regular budget monitoring and review of the MTFP helps to monitor the impact of financial performance and issues on the delivery of the Council Plan. Linked to the financial monitoring is also the monitoring of performance and corporate and service risks, some of which are identified as financial risks. The Council's Performance Management Framework and Risk Management Strategy govern how performance and risk is managed.

2.3 Operational, service specific statutory plans and service plans

While the Council Plan is the key strategic document, this is supported by several key more detailed operational plans, many of which highlight that capital expenditure is key to achieving the respective plan's objectives. Each of these plans are based on research, identifying the current position, analysis to identify needs and plans of how the service aims to meet the needs and consultation with stakeholders.

Towards Net Zero Plan 2022/25

The first Towards Net Zero Plan will be presented to the Executive on 3 March 2022. This plan is fundamental to the Council as it strives to achieve the public sector net zero target by 2030, as required by Welsh Government. The target for Wales as a whole is for net zero by 2050, however, public sector organisations are required to achieve this much earlier. The plan has three scopes, the first two are easier as they relate to cleaner choices over Council controlled facilities, such as offices, schools, vehicles etc. A big barrier to these two scopes will be finding adequate funding to achieve the target. Scope 3 is more challenging as it relates to choices others make, such as employees as they conduct Council business and whether tenants of Council dwellings or investment properties follow clean living guidance.

This capital strategy, therefore, has a key objective that capital projects must have regard to the net zero carbon targets. Much of the changes needed to achieve the net zero plan will involve capital expenditure, therefore, Net Zero projects are likely to be part of the future capital programmes until the targets are achieved and beyond for replacement programmes. The Capital Strategy plays an important part of this critical agenda.

Corporate Asset Management Plan

The Executive Summary of the draft Corporate Asset Management plan for Land and Buildings 2021 to 2026 example states “the maintenance of buildings requires substantial capital and revenue budgets to keep them safe and in optimal condition... the estimated capital maintenance requirement is in the region of £27m, based on condition surveys completed in 2019/20...The Council’s assets play a vital role in the effective delivery of the Council’s priorities and services...The drive to become a net zero Council ..in line with Government’s expectations, means we must invest to improve our existing assets and construct new carbon neutral buildings... ”. While this strategic plan is draft, it highlights the condition of the Council’s assets following surveys in 2019/20. Therefore, a key objective of the Capital strategy is that each year capital funding is provided for improvements to the Council’s buildings.

Draft Council Smallholdings Estate Asset Management Policy 2021/30

The Council’s smallholdings comprise of approximate 5,800 acres, ranging from 2 acres to 170 acres parcelled into 92 tenancies. The policy is being consulted on with stakeholders, including tenants. “The main aim for the policy is to maintain and create short and long term economic, social, cultural and environmental benefits to contribute towards safeguarding the well-being and sustainability of Anglesey’s rural communities”. The smallholdings help towards meeting the Council’s Destination Management Plan and the Welsh Government’s Strategy for Tourism. Agriculture is ingrained in the history and culture of Anglesey as is the Welsh Language which is spoken by many tenants of the Estate. There is a commercial objective to ensure that the estate continues to provide a sustainable financial return. However, due to its wider objectives, the smallholdings are not classed as investment properties which relates to properties which are held only for collecting income and increasing the value of the properties. In order to support the Smallholdings’ objectives and their contribution to the Council Plan, the Capital Strategy acknowledges that the smallholdings require capital investment on refurbishment works. The above strategy estimates that £2.9m of capital funding is needed over the period 2021-30. £1.9m of this is for low carbon renewable heating systems and energy efficiency by increasing insulation in properties. It is recommended that any capital receipts generated from sale of any Smallholding Estate should be ring-fenced for reinvestment into the Estate. The smallholding team are encouraged to apply for external funding particularly from Welsh Government, in relation to low carbon renewable heating systems and energy efficiency projects.

Digital Schools Strategy 2022-2024

The Authority’s first Digital Strategy for Schools was presented to the Executive and approved on 13 December 2021. This is key to supporting the educational priorities of the Council and to meet the new Curriculum for Wales. The strategy highlights the Council’s overall aim to create an Anglesey that is healthy and prosperous, where families can thrive which includes ensuring the people of Anglesey achieve their long term potential. Digital competence is key to this and is included as a mandatory cross-curricular skill. Working in partnership with Welsh Government, whose multi-million pound programme has funded most of the infrastructure and Chromebooks for pupils, and the Hwb digital platform for teaching and learning in Wales, has been key and provides a robust basis for the Digital Schools Strategy.

The key priorities of the strategy are: the Council will fully migrate to and make use of HWB, sufficient network infrastructure will be provided for all schools, the Council will provide schools and classrooms with the hardware needed to enable access to innovative technologies that will support learners. £0.343m of grant was provided by Welsh Government, and hardware which cost £1.536m was funded by Welsh Government, between the period 2019/20 to 2021/22. Without this funding and the HWB infrastructure, software and equipment, the schools would not have been able to deliver home-learning when the schools were closed to most pupils due to Covid-19.

The Digital Schools Strategy has revenue consequences to support schools but also future capital requirements. In return for the significant funding from Welsh Government for the first 3 years of the project, this was conditional on the Council funding replacement hardware at the end of the current Chromebooks, hardware and ICT infrastructure usable lives. This is staggered depending on the useful lives of the hardware, for example, the network for the schools cost £890k in 2019, and this will need replacing in 10 years, so a bid for funding before 2029 should be expected. There is likely to be an even longer term impact as the Chromebooks or equivalent technology will need replacing every 6 years.

Anglesey and Gwynedd Joint Local Development Plan 2011 to 2026

The Council works in partnership with Gwynedd on the statutory Local Development Plan (LDP). This helps create efficiencies and the non-financial benefits gained from working together. This is because both counties share common characteristics and enables both Counties to achieve well-being objectives and the Future Wales: The National Plan 2020 (2021). The joint LDP is currently being reviewed due to the long period it covers, and was consulted on in November 2021. All projects in the Capital Strategy and Capital Programme will need to comply with the LDP. The review includes reference to the North Wales Economic Ambition Board, which has secured funding of £240m from the Welsh and UK Governments. This Board, as mentioned below, is an important part of this Capital Strategy.

Council Housing (Housing Revenue Account) Asset Management Strategy 2018-2023 and HRA Business Plan 2021 to 2051

Council Houses are managed by the Housing Revenue Account (HRA), which is a substantial part of the Housing service. The HRA operates as a self-funding entity, but is a crucial part of the Council which helps the Council deliver several Council Plan objectives in relation to housing. All aspects of finance are reported separately to the rest of the Council's finances (Council Fund) to ensure that the HRA (HRA Fund) funds its expenditure and that surplus income is reinvested into the housing stock. The vision of this strategy is to provide "Quality Homes: sustainable communities".

All six priorities of the current 30 year plan will contribute to the Council's key objectives. The priorities which relate to the Capital Strategy, and will be delivered as part of the capital programme and result in a long-term programme of the below works, are:-

- To increase the provision of affordable housing across Anglesey – the HRA continues to increase its housing stock through targets each year to build new houses and buy-back former Council Houses. The Council no longer sells Council Housing since the abolition of the Right-to-Buy scheme. The below is a new Council Estate in Rhosybol, these houses were built with low carbon heating and modern insulation to help reduce carbon and, as shown below, solar panels.



- To promote estate regeneration, increasing tenant participation and community safety – in addition to increasing the number of Council Houses, the HRA implements refurbishment works each year, such as provision of new kitchens, roofing and necessary improvement works to increase the life of the housing. This leads to regeneration of the Council estates. The HRA works with tenants to ensure that tenants participate to influence the work on the estate.
- The HRA also aims to provide accommodation for individuals with specific needs, such as people with mental health issues, moving people on from emergency accommodation to social housing and older people, such as the Llawr Y Dref accommodation. The HRA also plans to develop an extra-care housing facility in the South of the Island for older people.
- The HRA's aim to address efficiency, tackle climate change and fuel poverty can be progressed through its new builds and refurbishments.

North Wales Economic Ambition Board (NWEAB) – North Wales Growth Deal Business Plan 2020/23

Working in partnership is important to the Council. Working together on common goals can bring synergy where more can be achieved together and results in efficiencies, as duplication of effort can be reduced. The North Wales Economic Ambition Board is a partnership between the six North Wales local authorities, Bangor University, Glyndŵr University, Grŵp Llandrillo Menai, Coleg Cambria and other commercial partners and will help the Council achieve its key objectives such as that the people of Anglesey and North Wales can thrive and realise their long term potential. The Board is the first partnership function to transfer to the new North Wales Corporate Joint Committee which is required by law and is an independent corporate body.

The three key principles of the Growth Deal are for:-

- A smart North Wales – with a focus on innovation and high value economic sectors to advance economic performance;
- A resilient North Wales – with a focus on retaining young people, increasing employment levels and skills to achieve industrial growth;
- A connected North Wales – with a focus on improving transport and digital infrastructure to enhance strategic connectivity to and within the region.

The partnership has secured £240m from the Growth Deal with Welsh and Central Government and will be received over a 15 year period. The Growth Deal aims to try to reduce the persistent productivity gap between North Wales and the UK, to build a vibrant, sustainable and inclusive economy for North Wales.

There will be a medium term funding gap (negative cash flow) which will be managed by the lead authority but with corresponding annual partner contributions. Anglesey's borrowing towards the funding gap is estimated to be between £0.700m to £1.00m. This would result in an annual MRP charge of between £0.047m and £0.067m each year for the 15 years. In addition, Anglesey will be required to contribute £90k towards the core and supplementary budget of the Board each year.

The total capital funding profile per programme is:-

Table 1 : North Wales Growth Deal Financial Summary				
Programme Area	Government Contribution	Public Contribution	Private Contribution	Total Programme Costs
	(£m)	(£m)	(£m)	(£m)
Innovation in High Value Manufacturing	13.0	26.5	0.0	39.5
Digital Connectivity	37.0	3.1	1.6	41.7
Agrifood & Tourism	24.5	12.4	4.4	41.3
Land and Property	79.1	1.9	274.4	355.4
Low Carbon Energy	86.4	140.4	441.7	668.5
Total	240.0	184.3	722.1	1,146.4

There are 14 transformational capital projects, all of which benefit the whole of North Wales.

The projects more directly linked to Anglesey are:-

- Sites and Premises – the Growth Deal programme will address the shortages of sites and premises in North Wales and investment to enable the growth of Holyhead Port;
- the Holyhead Gateway scheme is a series of targeted investments to address life expired assets essential to the operation of the port and to increase capacity for both vehicle and ship movements for both passenger and freight traffic;
- the digital connectivity project will increase high-speed broadband and mobile connectivity across North Wales. This will benefit the whole region and, as the four North-West counties of North Wales rank in the bottom 25% of UK areas for superfast broadband coverage this will feel a more significant improvement to Anglesey, Gwynedd, Conwy and Denbighshire;
- the Morlais project – constructing the infrastructure that connects the Morlais zone with the electricity grid system and readying the site for private sector developments investing to lease parts of the zone for deploying tidal technologies.

More information is available on the Board's website <https://ambitionnorth.wales/>

2.4 Statutory Requirements

The Council, along with all other public bodies, is required to comply with the Well-being of Future Generations (Wales) 2015 Act. This legislates for the well-being of current and future generations for people and our planet. This is to ensure that future generations have at least the same quality of life as the current generations. The Act encourages collaborative working to achieve the goals of the Act. The Council's Transitional Plan highlights that the plan's three objectives intertwine with the Council's and National Wellbeing Goals, with the Council's mission statement for wellbeing being "working towards an Anglesey that is healthy and prosperous where families can thrive".

This Capital Strategy will help the Council achieve this important goal through directing funding to schemes which both comply with the Council Plan as well as contributing directly to the wellbeing of both current and future generations. Investment in buildings, school improvements, the purchase of electric vehicles, investing in low carbon alternatives such as heat pump generators, building new Council Houses with low carbon heating etc. all contributes to well-being now and well into the future.

Equality and Diversity legislation and guidance also cuts across all services and work of the Council. The Capital Strategy enables increased accessibility through specific adaptations work in schools, other Council buildings and provision of Disabled Facilities Grants (DFGs) and refurbishments and new buildings will need to be Equality Act compliant.

In addition, the Capital Strategy acknowledges that capital investment is required to help the Council run statutory services to ensure that the assets used to run statutory services such as Social Care, Schools, Housing, etc., are safe and comply with required standards.

The below diagram summarises how the Capital Strategy is connected to key strategies and the annual revenue and capital budget setting.

The Council Plan and key Operational Plans

The key strategies and plans below are important and inter-related to help identify an affordable level of revenue and capital resources needed to deliver the key priorities of the Council Plan and key operational plans. These also provide a framework for robust financial management of Council resources.

The Medium Term Financial Plan (MTFP)

This is revised regularly to help set out the likely resource requirement for the next three years and how the Council plans to balance the resource requirement. This includes the impact of revenue and capital issues on the Council Fund.

Capital Strategy

The Capital Strategy sets out the key priorities on how capital expenditure should be spent to help deliver the Council Plan 2017/22. It acknowledges that capital expenditure leads to revenue capital financing costs which must be kept affordable. The Capital Strategy impacts on, and is impacted by, the MTFP, the TMS, the Annual Revenue Budget and the Annual Capital Programme.

Treasury Management Strategy (TMS)

This sets out the Annual Investment Strategy, Minimum Revenue Provisions Policy and Treasury Management Policy Statement for the year. These provide the framework and controls needed to ensure that there is enough cash to pay suppliers for revenue and capital costs, that surplus cash is invested safely and is accessible and that borrowing to fund capital expenditure does not go beyond an affordable level.

The Annual Revenue Budget

is supported by the MTFP, Capital Strategy and TMS - Each year, the revenue capital financing costs are reviewed and revised as part of revenue budget -setting. Revenue contributions are sometimes used to fund capital costs.

The annual Capital Programme

- The level of capital expenditure and borrowing impacts on the revenue budget due to capital financing costs and any ongoing revenue costs, such as maintenance.

3. Objectives of the Capital Strategy

The Council Transitional Plan 2022/23, the key operational/statutory plans mentioned above and statutory requirements provide clear direction on what the priorities of the Capital Strategy should be to help the Council achieve its priorities. The Objectives of the Capital Strategy are, therefore:-

Capital projects must relate to assets which help the Council achieve its key objectives outlined in the Council Plan and key operational strategies.

Each year, when reviewing this strategy and developing the annual Capital Programme, the Council must take into account stewardship, value for money, prudence, sustainability and affordability.

Each year, capital funding will be allocated to ensure an investment in existing assets to protect them into the future.

The Council will maximise external capital funding wherever possible and affordable.

Capital funding will also be prioritised on assets required to help the Council deliver its statutory responsibilities.

The Council remains committed to the Sustainable Communities for Learning Programme and will continue to fully utilise Sustainable Communities for Learning external funding. This is a substantial programme which will result in Sustainable Communities for Learning capital school improvements or new builds into the longterm.

Capital projects must have regard to the net zero carbon targets and must use clean alternatives where, traditionally, carbon generating equipment/facilities/assets have been used.

Each year, capital receipts received from the sale of Council Smallholdings will be ring-fenced for refurbishments of smallholdings the Council retains. This will help ensure the properties are fit for the longterm.

The Council will continue to work with its strategic partners and is committed to working as part of the North Wales Economic Ambition Board to deliver capital projects across North Wales.

Annual consultation is required with stakeholders and citizens of Anglesey for their opinions on any proposed new capital projects.

Principles which help support the achievement of the above key objectives:-

- 3.1** That the Sustainable Communities for Learning programme is considered separately from the remainder of the general Council capital programme. The Sustainable Communities for Learning programme is a longterm, significant commitment to building and/or refurbishing schools so that Anglesey's schools are fit to last and meet the longer term requirements. The Sustainable Communities for Learning programme helps the school modernisation agenda and supports the Council's key objective to ensure that the people of Anglesey can thrive and realise their long term potential. This principle also meets the Wellbeing of Future Generations Act 2015 to ensure educational settings are suitable in the long term. An element of the expenditure on the Sustainable Communities for Learning programme will be funded from the capital receipts from the sale of schools vacated, with the remaining balance being funded from unsupported borrowing. This will ensure that the capital general grant and supported borrowing are available to fund investment in existing and new assets needed to achieve the objectives of the Council Plan and ensure that the Council's existing assets are maintained.
- 3.2** That a sum is allocated in the capital programme each year to fund the major improvement to, or the replacement of, existing IT equipment, vehicles and Council buildings.
- 3.3** That a sum is allocated in the capital programme to meet the Council's statutory requirement to offer disabled facilities grants. This helps deliver statutory responsibilities and supports the key objective of the Council to support vulnerable adults and families to keep them safe, healthy and as independent as possible.
- 3.4** That a level of road improvement works is funded from the capital programme each year. The sum allocated will be dependent on the funding required to achieve any minimum contract value guarantees, the level of funding available and an assessment of the state of repair of the Authority's roads. Improvements to the roads will help the Council ensure the highway network is sustainable in the longer term. It also underpins all of the Council key priorities due to the rural nature of Anglesey and the importance of the highway network to many aspects of the Council's work.
- 3.5** Projects that require a level of match funding to enable grant funding to be drawn down, will be assessed on a case-by-case basis by the Section 151 Officer, with a recommendation being made to the Executive. The decision whether to commit funding will be dependent on the project, how it fits into the Council's corporate priorities, any ongoing revenue implications and the ratio of Council funding to grant funding.
- 3.6** To reduce the revenue impact of the capital programme i.e. capital financing costs from interest payable and the Minimum Revenue Provision (MRP) which creates funding to help repay loans, unsupported borrowing will only be used to fund projects if:-
 - the project is an approved Sustainable Communities for Learning;
 - the project is an invest-to-save project, which will cover the capital financing costs i.e. interest payable and Minimum Revenue Provision (MRP);
 - the project attracts substantial external funding of at least 75% and will help deliver at least one of the Council's key priorities.
- 3.7** Where cash balances allow, actual borrowing will be delayed and cash balances will be used to delay and save interest payable and MRP charges to revenue. This is known as internal borrowing. When cash balances need to be replenished, the borrowing will be taken out and the internal borrowing will be externalised. Where interest rates are likely to rise significantly, internal borrowing should be externalised to reduce risk but not in advance of need.

3.8 Capital funding, with the exception of grants awarded for specific projects, will ultimately be allocated to minimise capital financing costs and to ensure the capital programme has the flexibility to maximise funding. This is common practice in local authorities. The actual funding allocated at the end of each financial year might be different to that reported as part of the capital budget. General grant will be allocated first to ensure that this is spent in full at year-end, unless Welsh Government has approved carry-forward of the grant. Flexibility in funding is fundamental to ensure the Council maximises funding opportunities such as managing specific grants awarded in the last quarter of the year, which allows use of the specific grant on other locally determined capital expenditure in year if it cannot be spent on the specific grant conditions by year end. This on the basis that the Council allocates funding from the next year's programme to fund the specific projects for which the original funding was awarded.

4. Corporate Strategy and Capital Programme Process

4.1 Developing the Capital Strategy

The Capital Strategy is revised each year taking into account the most recent Council Plan, the Medium Term Financial Plan, the budgetary pressures expected, the Treasury Management Plan and the Operational Plans discussed above. It also considers the prior year's capital programme and the level of reserves and the revenue budget. The capital strategy then outlines the key objectives and principles which then helps to develop the annual Capital Programme each year. Capital expenditure is expenditure to acquire or create new assets or to refurbish existing assets where the life of the asset is greater than one financial year. The assets can be tangible (buildings, vehicles and infrastructure) or intangible (software licences). Non-current assets which are £10k or more will be considered as capital expenditure. £10k is the Council's recommended de minimis level to qualify as part of the capital programme. Non-current assets less than £10k will be charged to revenue in most cases. The Council reserves the right to waive the de minimis if appropriate.

4.2 Developing the Annual Capital Programme

4.2.1 Bidding Process and Scoring

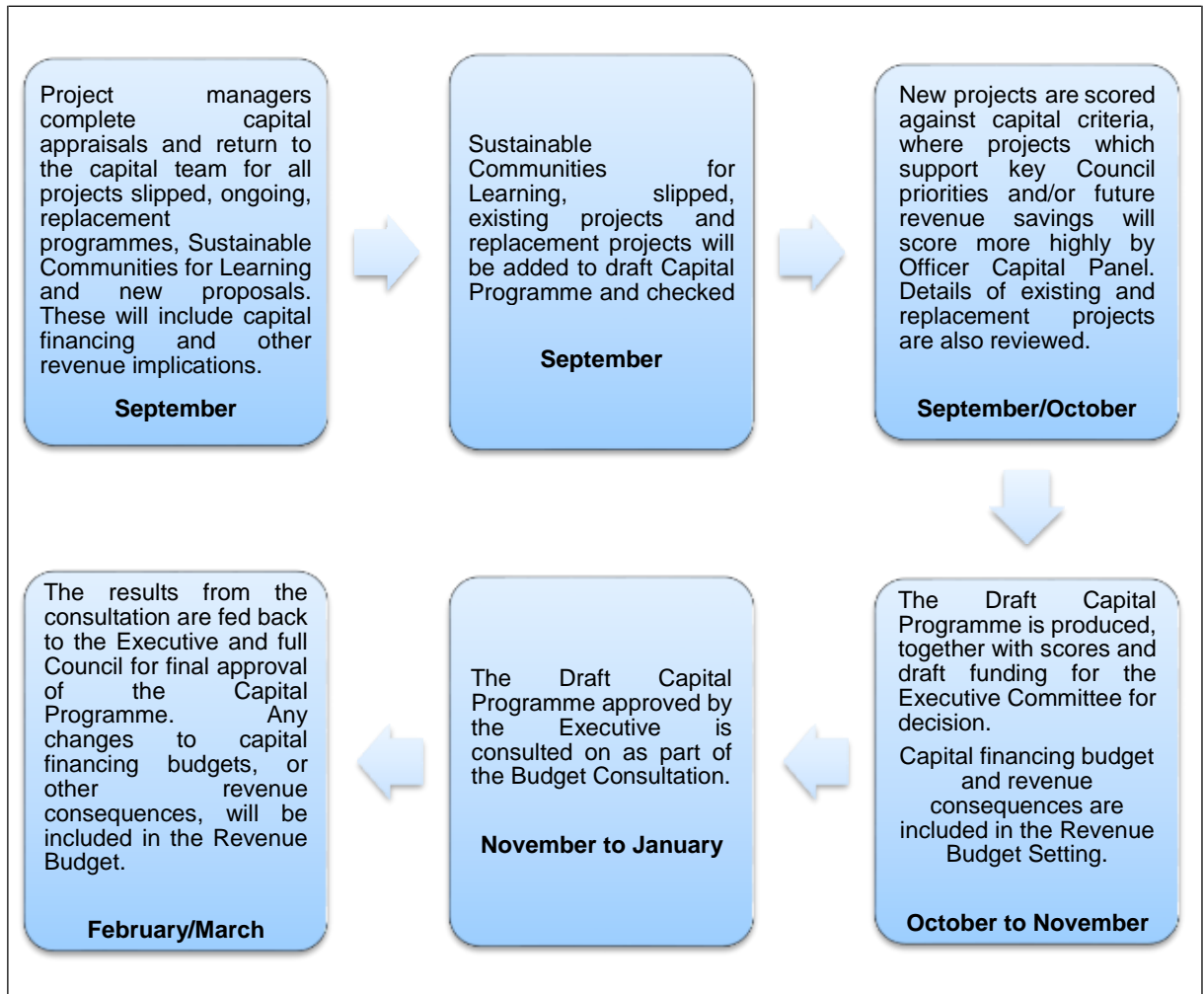
In determining which projects are included in the Capital Programme, new bids must not only be affordable, but also help deliver the key priorities of the Council Plan and meet the objectives and principles of the Capital Strategy. Each year, Services are asked to submit new capital appraisals/bids and update information for ongoing projects. The appraisals should demonstrate how each project meet the criteria (set out below) and all ongoing revenue implications from the project will be included e.g. maintenance costs. The scoring of new capital appraisals/bids helps to introduce a degree of objectivity and ensure the projects are relevant to the key objectives of the Council Plan and this Strategy. The most important criterion is how closely a project will contribute to the delivery of the Council Plan, hence the greater weighting given to this criterion. Initial scoring is undertaken by the Accountancy Service. The scores are then considered and ratified by the Executive, as part of the drafting of the annual capital programme.

Criteria	Score
How closely the project will contribute to the priorities in the Council Plan and key operational plans	20
The project attracts significant external funding	10
The project will lead to revenue savings	10
The project will help mitigate Corporate Risk	10
Total highest score	50

The strategy also allocates funding to the maintenance and upgrade of existing assets. Asset Managers determine their funding need and this is balanced against the funding available in order to allocate funding to each main assets group (buildings, vehicles, IT, roads).

4.2.2 Timetable

The Capital Strategy approval process follows the timetable for revenue budget-setting and the development of the Capital Programme. The timetable for the development of the Capital Programme is summarised below:-



4.2.3 Authorisation

Responsibility for ratifying the Capital Programme each year rests with the full Council, based on the recommendation made by the Executive. In exceptional cases, new capital projects arising during the year will be considered by Members as part of the quarterly reports to the Executive. In-year projects are likely to be approved if the projects are significantly funded from external grants or contributions, or in response to an emergency e.g. landslide, or if an approved project in the programme is cancelled and there is funding available. A capital appraisal is required for in-year projects and projects will need to help the Authority achieve its key objectives.

4.2.4 Monitoring the Capital Strategy and Capital Programme

Each quarter, a Capital Monitoring report is produced and presented to SLT and the Executive. This considers spend to date, forecast spend to year-end and narrative to explain the progress or lack of progress of schemes. SLT have requested more detailed monitoring of the Capital Programme, to include non-financial performance and wider performance, such as the impact of the capital projects on employment, inward investment, etc. An increased performance management framework will be developed during the year 2022/23, as this strategy is reviewed.

5. Looking Back – Achievements of the Capital Strategy and Programmes 2016/17 to 2020/21

The Council has spent nearly £160m on capital projects over the above 5 year period. £79m was funded from capital grants, which is 49.36% of the total capital expenditure. This shows the value of including significant grant funding as one of the objectives of the Capital Strategy. The services with the highest spend evidence that capital projects were aligned to the Council Plan 2017/2022. Housing, including housing of vulnerable people, Lifelong Learning to provide assets to help provide services to help individuals achieve their potential, and the legal requirement to refurbish highways and the priority to improve the Island. This is shown in the table below:-

Service	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Housing GF	2,090	1,224	1,108	1,252	1,212	6,886
Housing HRA	8,607	9,291	9,028	11,812	12,622	51,360
Lifelong Learning	10,633	6,318	7,233	2,982	3,878	31,044
Economic & Regeneration	1,180	788	4,017	2,993	2,714	11,692
Highways	8,747	6,004	6,055	7,176	5,382	33,364
Waste Management	480	66	84	180	3,213	4,023
Property	1,394	786	697	990	2,405	6,272
Transformation	1,353	587	448	1,297	771	4,456
Equal Pay - Capitalisation Directive	-	2,566	-	-	-	2,566
Planning	916	1,031	1,839	755	52	4,593
Adult Services	1,240	694	168	577	880	3,559
Total Expenditure	36,640	29,355	30,677	30,014	33,129	159,815
Capital Grants	13,356	11,801	16,629	18,156	18,948	78,890
Percentage of capital costs funded by Grants	36.45%	40.20%	54.21%	60.49%	57.19%	49.36%

In addition, analysis of the Council's news published over the past 1.5 years highlights the important role of the Capital Strategy in delivering the Council's priorities. The section below includes links to all capital projects reported in the Council's news stories during this time, including where buildings such as the new build Ysgol Santes Dwywnwen and the significant refurbishment of Market Hall, Holyhead, have won awards for excellence.

News published about Capital Projects and demonstrate their role in providing of priority Council Services

<https://www.anglesey.gov.uk/en/newsroom/news/more-new-quality-council-housing-on-the-way>

<https://www.anglesey.gov.uk/en/newsroom/news/more-new-business-units-coming-to-former-heliport-site>

<https://www.anglesey.gov.uk/en/newsroom/news/ysgol-santes-dwynwen-wins-national-building-award>

<https://www.anglesey.gov.uk/en/newsroom/news/pioneering-market-hall-project-wins-another-award>

<https://www.anglesey.gov.uk/en/newsroom/news/clean-electricity-pledge-a-boost-for-new-energy-projects>

<https://www.anglesey.gov.uk/en/newsroom/news/tenants-to-move-into-fifteen-new-council-homes-in-rhosybol>

<https://www.anglesey.gov.uk/en/newsroom/news/opportunity-for-community-asset-transfer-melin-y-graig-craig-fawr-llangefni>

<https://www.anglesey.gov.uk/en/newsroom/news/opportunity-for-community-asset-transfer-bodorgan>

<https://www.anglesey.gov.uk/en/newsroom/news/residents-feedback-key-to-red-wharf-bay-flood-alleviation-plans>

<https://www.anglesey.gov.uk/en/newsroom/news/new-holyhead-3g-sports-pitch-now-open>

<https://www.anglesey.gov.uk/en/newsroom/news/new-childrens-play-area-for-holyhead-breakwater-country-park>

<https://www.anglesey.gov.uk/en/newsroom/news/ground-breaking-ceremony-marks-construction-of-new-primary-school>

<https://www.anglesey.gov.uk/en/newsroom/news/expanded-anglesey-business-centre-welcomes-new-tenants>

<https://www.anglesey.gov.uk/en/newsroom/news/work-to-begin-soon-on-new-ysgol-corn-hir>

<https://www.anglesey.gov.uk/en/newsroom/news/upgraded-gritting-fleet-proves-its-worth-this-winter>

<https://www.anglesey.gov.uk/en/newsroom/news/housing-service-to-build-on-excellent-progress>

<https://www.anglesey.gov.uk/en/newsroom/news/re-fit-helps-council-make-major-cut-in-carbon-emissions>

<https://www.anglesey.gov.uk/en/newsroom/news/more-new-sites-ready-as-part-of-anglesey-childcare-offer-capital-project>

6. Current Financial Context and Funding

6.1 Revenue Constraints

- 6.1.1** The initial Medium Term Financial Plan (MTFP) for 2022/23 to 2023/24 was presented to the Executive on 27 September 2021. This acknowledged the difficulty in financial planning beyond one year due to the lack of three year budget forecasts from Central and Welsh Governments. Brexit alone caused significant uncertainty for the economy, and still does. The Coronavirus Pandemic, however, put the impact of Brexit in the shade with an extremely fragile economy after nearly two years of Covid-19 restrictions. Public sector borrowing for 2020/21 is at its highest in one year since WWII.
- 6.1.2** The Bank of England's action to reduce the base interest rate to 0.1% in response to the economic impact of Covid-19 restrictions has led to pitiful returns on treasury management investments. However, the recent increase to 0.25% in December 2021 and to 0.50% on 3 February 2022 would normally be an indicator of an improved economy. Some of the increase is due to this, but inflation is at its highest since 1990 driven by significant energy price increases such as gas, electricity, etc. The Bank of England has hinted at further increases during the year to try to reduce inflation. While this will mean improved returns on treasury management investments, this inflationary pressure means that the Council will pay more for all of its expenditure. In addition, the Council's funding is always at risk from financial pressures on the Government and Welsh Government.
- 6.1.3** The revised MTFP for 2022/23, reported as part of revenue budget-setting for 2022/23 to the Executive on 24 January 2022, highlights a significantly better than expected provisional settlement for 2022/23 at 9.23%. This is the highest settlement the Council has received in years and is especially welcome after nearly a decade of funding cuts from 2010/11. However, in light of the inflationary pressures which continue to increase it is evident why such a generous settlement has been announced. This settlement has meant that no budget cuts are required for 2022/23, and it has also allowed funding for increased capacity to services previously cut.
- 6.1.4** Welsh Government's provisional settlement also includes details of the capital funding provided to the Council for 2022/23. The Council will provisionally receive a general capital grant of £1.486m and £2.157m in supported borrowing which, together, amount to £3.643m. In order to keep capital financing costs affordable for the revenue budget, particularly with the uncertainty about future revenue funding levels, it is a key principle of this strategy that capital programmes should not exceed this available funding from Welsh Government, with the exception of unsupported borrowing for the Council's element of funding the Sustainable Communities for Learning Programme. It is predicted that Welsh Government will keep this level of funding the same, or less, in the future.
- 6.1.5** Increasing the life of the Council's aging assets, and keeping up-to-date with technological upgrades will have the first call against this funding. This will, therefore, mean that there will not be significant funding for new projects. Under this strategy, new projects should only be considered when there is significant grant funding to undertake a specific project, or could be funded from unsupported borrowing if the project meets the requirement of the Prudential code in terms of being able to fund the capital financing costs from additional income or expenditure savings/cost avoidance. Council reserves could be used to fund capital projects, but using reserves is not sustainable and should only be considered when the general reserve is above its recommended minimum level. Use of surplus reserves to fund match-funding for grant funded projects can be considered.
- 6.1.6** As stated previously, funding the capital programme will have a significant impact on the revenue budget, and the Capital Strategy takes into account affordability as it is drawn up, and the Treasury Management Strategy Statement ensures that the Council minimises borrowing costs through the best use of the Council's own cash balances to fund capital expenditure.

6.2 Funding the Modernisation of Schools

- 6.2.1** The Council is currently progressing through an ambitious programme to modernise schools through the Sustainable Communities for Learning (formerly known as the 21st Century Schools) programme, with Band A coming to an end in 2022 and Band B running until 2027.
- 6.2.2** There were previously four phases to the programme, identified as Band A, B, C and CH. However, Bands C and Band CH have been abolished in name. The revised Sustainable Communities for Learning programme will continue to provide funding for school improvements into the long term, but details of the new programme will not be released until after the elections in May 2022. The Band A programme is now nearing completion, three brand new schools have been completed and are operational, Ysgol Cybi, Ysgol Rhyd y Llan and Ysgol Santes Dwynwen. Refurbishments are also complete at Ysgol Parc y Bont and Brynsiencyn. Building works on Ysgol Corn Hir in Llangefni have started.
- 6.2.3** Band B was previously estimated to be £36m. This is now a reduced programme of £19m which will cover projects running from 2018/19 to 2027/28.
- 6.2.4** Band A of the Sustainable Communities for Learning programme is funded by 50% additional funding from the Welsh Government and 50% via unsupported borrowing. The Welsh Government's 50% funding is partly grant funding (67% of the 50%) and partly supported borrowing (33% of the 50%). The Welsh Government has announced that the intervention rate for Band B has increased to 65%.
- 6.2.5** The Welsh Government has also introduced a mutual investment model for Band B (MIM), where the capital cost of the project is funded by the private sector and the Council then pays a rental fee to the investor for a prescribed period (expected to be 25 years). Welsh Government make a contribution to the rental fee each year (expected to be at least 70%).
- 6.2.6** The Council's Strategic Outline Programme for Band B was submitted to Welsh Government in July (approved by the Executive 17 July 2017). The table below shows the estimated expenditure and funding for 2022/23:-

Estimated Funding for 2022/23 for Band A and Proposed Band B Projects				
Band	Region	Self-funded Element £'m	Welsh Government Support £'m	Total £'m
	TOTAL BAND A	3.8	-	3.8
	TOTAL BAND B	1.5	3.3	4.8

- 6.2.7** It is assumed that all of the unsupported and supported borrowing would be undertaken through new PWLB loans over a length of time which matches the expected life of the asset (50 years).
- 6.2.8** Additional supported or unsupported borrowing will increase the Council's CFR which, in turn, will increase the annual MRP charge to the revenue account, and will result in additional annual interest payments.
- 6.2.9** The additional unsupported borrowing for Band B (based on a 50 year repayment period and annual interest at 3.2%) would result in additional capital financing charges to the revenue budget of £0.341m per annum (£0.210m interest payable and £0.131m MRP) once the Programme is completed in full. In practice, these costs would be phased in as each project commences and once the loans are taken out to carry out the work. MRP would be charged once the schools become operational.

6.2.10 It should be noted that the delivery of the Band B projects will eliminate the need to undertake backlog maintenance work at the various schools.

6.3 Funding Sources – the Capital Programme is funded from the following sources:-

- **General Capital Grant** – This is a sum of money which is provided by the Welsh Government as part of the annual settlement. The Council is free to use the capital grant on any capital project it wishes. This must be spent by 31 March of the financial year it relates to.
- **Supported Borrowing** – The Council will borrow from the Public Works Loans Board (PWLB) to fund the expenditure. The revenue costs arising from the borrowing (Interest Costs and Minimum Revenue Provision) are funded by the Welsh Government through the annual revenue settlement, hence the term “Supported Borrowing”.
- **Unsupported Borrowing** – Again, the Council borrows the funding from the PWLB or elsewhere, but is required to finance the revenue costs from its own resources. Projects funded by means of unsupported borrowing tend to be projects which deliver revenue savings, and it is these savings that are used to meet the additional revenue costs arising from the borrowing.
- **Specific Capital Grants** – The Council will be awarded capital grants which partly or fully fund the cost of a project. Capital grants usually come with restrictions surrounding the expenditure which can be funded and by when the expenditure must be incurred.
- **Revenue Contribution** – Services can make a contribution from their revenue budgets to fund projects. These contributions tend to be as a match funding to a project which is mainly funded from a specific capital grant.
- **Capital Receipts** – The funds generated from the sale of assets can be used to contribute to the funding of the capital programme. These are usually generated from the sale of surplus assets (normally land or buildings).
- **Reserves** – Funding held in reserve, e.g. unapplied capital receipts, can be used to support the capital programme.

6.4 Impact of differing capital

6.4.1 Funding that is received in the form of grants (general or specific) does not have any impact on the long term financial position of the Council as any grant received is used to fund the capital expenditure. There may be timing differences which can lead to grants being unapplied and carried from one year to the next via the Council’s balance sheet.

6.4.2 Capital receipts result in surplus assets being converted into cash which, in turn, results in the creation of a new asset. Again, this type of funding has little long term impact on the Council’s financial position, but there will come a point where all surplus assets have been disposed of and the level of funding available through capital receipts will fall.

6.4.3 The Housing Revenue Account uses the surplus on the HRA account (excess of rental income over expenditure) to fund capital expenditure. This is reflected in the HRA business plan and does not impact on the Council Fund.

6.4.4 The use of revenue funding will reduce the value of funds held in reserves or the sum transferred to the general Council balances at the year end, i.e. it converts surplus cash into a new asset.

6.4.5 Both supported and unsupported borrowing impacts on the Council’s Capital Financing Requirement (CFR) which, in turn, has implications on the Revenue budget in the form of increased Minimum Revenue Provision (MRP) and annual interest payments.

6.4.6 Although the Housing Revenue Account operates separately from the Council Fund, the Council does not borrow separately for Council Fund and HRA expenditure, all borrowing is combined and the costs apportioned to the two funds based on the level of expenditure funded from borrowing for the two funds. The apportionment method is kept under review to ensure that it remains the most equitable method.

6.5 Funding Constraints

- 6.5.1** The uncertain financial context the Council continues to operate within is discussed in section 5, and highlights that there are limitations on the Council's funding of capital expenditure. One of the main priorities for the Council is to reduce revenue expenditure in order to deliver a balanced budget, whilst minimising the reduction in service budgets. It is reasonable for the Council to minimise the increase required to the capital financing budget. It will be necessary to provide additional capital funding, but this should be maintained at a level that is funded through the settlement (general capital grant and supported borrowing) so that the increase in the capital financing costs is funded through capital receipts and any specific grants that are available.
- 6.5.2** Unsupported borrowing (outside the Sustainable Communities for Learning programme) should only be considered where the relevant service budget can be reduced by a sum greater than the MRP and interest costs or to fund the Council's share of a scheme which is funded predominately from external grant.
- 6.5.3** It has been Welsh Government's policy over a number of years to maintain the level of general capital grant and supported borrowing on or about the level in previous years, with additional capital funding being directed to schools, road improvements etc. The general grant funding was increased for 2019/20, 2020/21 and 2021/22. The capital funding has been reduced to original levels in the provisional settlement for 2022/23. However, additional general capital grant was awarded in February 2022 for all local authorities in Wales. The Isle of Anglesey County Council's share of the additional funding is forecast to be £1.7m, which can be carried over to 2022/23, which is a significant increase for the year.
- 6.5.4** The Council, as a landlord of housing stock, will also receive a major repair allowance following the submission and approval of the 30 year business plan for the Housing Revenue Account. Capital expenditure on the HRA is supplemented with the use of the HRA reserve and by the borrowing powers which the HRA can utilise.
- 6.5.5** Specific grants which have been approved, likely to be approved or that result from successful bids, will also be available to fund capital schemes. In some cases, it may be necessary for the Council to contribute a sum of its own capital funding as match funding to enable the grant funding to be drawn down. The grants and contributions which have been currently identified as sources of funding for 2022/23 amount to £8m, including the general capital grant. The Council has received substantial funding in previous years from the EU. This source of funding will not be available from 2022/23 and onwards, but the Council will seek to identify alternative sources of grant funding where possible.
- 6.5.6** As stated previously, any unsupported borrowing must generate additional income / revenue expenditure savings to fund the additional capital financing costs (MRP and interest charges) which will be charged to the revenue account. Any proposed schemes funded by unsupported borrowing will be assessed on a scheme-by-scheme basis.
- 6.5.7** In addition to the sources of funding noted above, the Council holds a capital funding reserve, the balance on this reserve at 31 March 2021 was £1.207m, and this includes revenue contributions which have not yet been applied.
- 6.5.8** Unallocated capital receipts are held in a reserve. The balance of the reserve at 31 March 2021 was £0.767m. These receipts will be used as a funding source for the 2021/22 programme, or will help fund slipped expenditure in 2022/23 and beyond, as needed.
- 6.5.9** In summary, the funding for new capital projects in 2022/23 should be limited to the level of general capital grant (£1.486m), supported borrowing (£2.157m) and any unallocated capital receipts generated in the year. This would give a total budget available in the region of £3.643m, excluding grants, Sustainable Communities for Learning funding and HRA funding. This principle will be applied into the medium term and longer term to ensure the capital programme is affordable, particularly in the context of continual funding cuts.

6.6 Estimated Funding Profile 2022/23 to 2023/24

6.6.1 The external Welsh Government funding (excluding Sustainable Communities for Learning) for the period 2022/23 to 2024/25 is shown in the table below. It should be noted that the Council will also receive a number of minor capital grants.

Estimated Welsh Government Capital Funding 2022/23– 2024/25

	2022/23 £'m	2023/24 £'m	2024/25 £'m
General Capital Grant	1.486	1.783	1.783
Supported Borrowing	2.157	2.588	2.588
Major Repairs Allowance	2.660	2.660	2.660
Decarbonisation grant	-	0.500	0.500
Total Welsh Government Capital Funding	6.303	7.531	7.531

6.6.2 Most new projects proposed for 2022/23 will be funded from reserves due to the limited capital funding above. Unsupported borrowing is possible but, unless the projects generate revenue savings or significant grant funding, then the additional MRP charge and interest costs will increase the revenue budget which must be funded by increased Council Tax or by making revenue savings elsewhere. Therefore, the Council can ensure the capital financing costs are affordable and sustainable by limiting capital expenditure funded by unsupported borrowing to the Sustainable Communities for Learning Programme and capital projects which lead to revenue savings higher than the MRP and interest payable charges incurred from the capital funding. The Draft Capital Programme Report 2022/23, summarised below, proposes an affordable programme with limited use of unsupported borrowing.

7. The Draft Capital Programme 2022/23

- 7.1 The draft capital programme for 2022/23 will be presented alongside this capital strategy to the Executive on 3 March 2022 and full Council on 10 March 2022. The table below summarises the proposed capital programme, including funding sources. Additional detail is provided in Appendix 2.

Summary Draft Capital Programme 2022/23

	Ref	£'000
2021/22 Schemes Brought Forward	Para 4.1 & Table 2	1,322
Refurbishment / Replacement of Assets	Para 4.2	5,042
New One Off Capital Projects	Para 5.2 & Table 3	1,432
New One Off Capital Projects (Funded from Reserves and Unsupported Borrowing)	Para 5.3 & Table 4	783
21 st Century Schools	Para 6	8,598
Housing Revenue Account	Para 7	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
21 st Century Schools Supported Borrowing		1,168
21 st 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

7.2 Longer term Capital Expenditure Plans

- 7.2.1 The below capital programme provides a forecast which is in line with the Medium Term Financial Plan and the projects listed in Council Transitional Plan 2022/23, operational plan and Treasury Management Strategy Statement. This capital strategy also communicates the long term intentions with regard to the Sustainable Communities for Learning Programme Band B. It is difficult to know whether longer term projects will be funded as part of the new focus of the Sustainable Communities for Learning. The revised programme will be published after the elections in May 2022, however, the website does indicate that it is for long-term funding of school improvements. It is also difficult to produce longer term plans as part of this strategy while Covid-19 still has a significant impact. Longer term plans will be outlined in the Capital Strategy 2023/24. The HRA has a clear long-term plan of investment in Council housing as part of the rolling 30 year business plans. A long term programme for refurbishing existing assets is also needed.

8. Non-Treasury Management Investment Strategy

- 8.1 The Treasury Management Investment Strategy is included in the TMSS discussed below. In addition, the Council holds a number of non-treasury management investments. These are the investment properties from which the Council earns rental income. These help provide a long term revenue stream for the Council. The investment property portfolio held approximately 70 properties at 31 March 2021, which were valued at £6.2m. These include retail properties, office units and commercial units. In 2020/21, £340k of rental income was collected from investment properties. Costs of £111k were spent on maintenance etc., which resulted in a net operational income of £262k from rental income and other income. In terms of future plans for the investment properties, the buildings will continue to be maintained to legal standards. In addition, a new industrial unit complex was recently constructed and is operational in Llangefni. The Council is also working in partnership with Welsh Government on the construction of Industrial Units at Penrhos, Holyhead. These are likely to become operational in 2022/23. This project has been extended to build additional units at Holyhead and the new scheme for additional units in Llangefni, as stated in the Transitional Plan.
- 8.2 Local Authorities have the power to purchase or develop properties as investments in order to improve the economic activity within the Council area or as a means of generating additional income for the Council. At present, the Council has no plans to use these powers more widely than on the plans detailed above, but the use of these powers remains an option and the Strategy allows the Council to incur expenditure on investment properties in order to meet key Council objectives or to take advantage of any significant external funding which may become available.

9 Borrowing and Treasury Management

- 9.1 The Treasury Management Strategy Statement (TMSS) and Treasury Management Practices (TMPs) provide the framework to ensure there is sufficient cash to pay suppliers, ensure that any surplus cash is invested safely and that borrowing to fund the capital programme 2022/23 is affordable. The TMSS will be presented to the full Council on 10 March 2022.
- 9.2 Appendix 11 of the TMSS 2024/25 provides the prudential and treasury indicators for the periods 2020/21 to 2023/24, which help determine whether borrowing plans are affordable.
- 9.3 A measure of affordability is the ratio of financing costs to net revenue streams. The estimated ratio of financing costs to net revenue streams are as follows:-

2020/21 (Actual)	6.12%
2021/22 (Projected)	5.08%
2022/23 (Projected)	5.42%
2023/24 (Projected)	5.57%
2024/25 (Projected)	5.56%

Based on the above, the proposed capital programme remains affordable in terms of the revenue implications.

- 9.4 In 2018/19, the Council revised its Minimum Revenue Provision (MRP) policy and was able to back-date the changes. The revision of the policy was designed to ensure a prudent provision is charged to the revenue account each year. However, a consequence of this change was that it identified an over-provision in previous years and this over provision can be used in future years to ensure that the annual financing costs remain affordable. The Section 151 Officer will take this into account when determining the annual MRP charge.
- 9.5 The Treasury Management Strategy aims to utilise the Council's internal cash balances, wherever possible, in place of external borrowing. In determining the level of internal borrowing, sufficient cash balances must be maintained to meet the daily cash needs of the Council i.e. paying staff, suppliers etc.

9.6 Treasury Management Investments, 10 February 2022

Bank	Amount Invested	Interest Rate
Santander	£7,406,043	0.02%
Bank of Scotland	£7,206,584	0.01%
Royal Bank of Scotland	£1,673	0.01%
NatWest	£30,000,505	0.01%
Goldman Sachs	£7,500,000	0.765%
Total	£52,114,805	

The Treasury Management team are currently in the process of arranging two more fixed term accounts which have significantly higher interest rates, in addition to the recent deposit in Goldman Sachs above.

10. Potential Risks arising from the Capital Strategy

- 10.1** The biggest challenge and risk is the uncertainty about future funding for revenue and capital. The Council has underspent considerably in 2020/21, and is likely to underspend in 2021/22, which helps provide a safety net which is shown by the healthy investments in banks shown above.
- 10.2** The Council's Capital Strategy is based on an assumed level of funding from Welsh Government and via external grants. Given the continued uncertainty over budgets and the loss of substantial grant funding currently received from the European Union, there is a risk that this assumed level of grant funding may not be received as set out in the strategy. Any changes to funding will require a reassessment of the capital strategy and annual capital programme.
- 10.3** The strategy acknowledges the importance of maintaining existing Council assets. There is a risk that the replacement programme is not sufficient and that the standard of the assets falls to such a point that a greater level of investment is required in order to maintain services. This additional investment may not be affordable or it will require other new projects to be removed from the programme.
- 10.4** The Sustainable Communities for Learning Programme is such an aspirational and substantial programme there is a risk that the Council will not be able to afford the programmes post Band B, though the increased usable cash backed reserves will help with investment in schools.
- 10.5** External borrowing results in a significant interest cost each year. The majority of the Council's loans are fixed and are not affected by any interest rate rises. However, any sharp rise in interest rates may impact on the affordability of future projects which are funded from borrowing. Steps are outlined in the Treasury Management Strategy which mitigate this risk to some extent. The current small stepped increases in the Base Rate will increase PWLB borrowing rates, though currently these are all well below many of the fixed rates on current loans.

11. Knowledge and Skills

- 11.1** The Resources accounting team has four qualified accountants, including the Director of Function (Resources) / Section 151 Officer, who look after the capital programme and treasury management function. There is also a qualified accounting technician who has substantial experience in capital and treasury management. The team attend CIPFA courses on capital and treasury management and have a sound knowledge of this specialised accounting area. There is also a team of professionals within services such as architects, project managers, engineers, which support the Council with delivering the Capital Programme. The Council also commissions specialist advice from Link Asset Services. This service is currently being retendered in line with procurement rules. The decision-makers of the Council receive regular reports on capital and treasury management and Members are offered treasury management training. The governance arrangements are outlined in the Constitution and the Treasury Management Strategy Statement.

**Appendix 2
Proposed Capital Programme 2022/23**

SCHEME	BUDGET 2022/23 £'000	External Grants £'000	FUNDED BY						
			General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000	Earmarked Reserve £'000	General Balances £'000
2021/22 Committed schemes b/f									
Penrhos Phase II	493	493							
Llangefni Joint Venture	119	119							
Tourism Gateway	170	170							
Holyhead Landscape Partnership	190	190							
Holyhead Regeneration (THI Phase II)	350	350							
TOTAL 2020/21 Committed schemes b/f	1,322	1,322	-	-	-	-	-	-	-
Refurbishment / Replacement of Assets									
Disabled Facilities Grants	750		750						
Refurbishment of Schools	1,000			1,000					
Refurbishment of Non School Buildings	700		450					250	
Highways	2,000		14	876					1,110
Vehicles	300		100					200	
I.T Assets	292						292		
TOTAL Refurbishment / Replacement of Assets	5,042	-	1,314	1,876	-	-	292	450	1,110

SCHEME	BUDGET 2022/23 £'000	FUNDED BY							
		External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000	Earmarked Reserve £'000	General Balances £'000
New One Off Capital Projects									
Flood Relief Schemes	281			281					
Econ Dev - Match Funding pot	100		100						
Upgrade of Public Conveniences	480		72				308	100	
External Canopies (3 secondary schools)	371								371
Maritime Infrastructure	200								200
TOTAL New One Off Capital Projects	1,432	-	172	281	-	-	308	100	571
New One Off Capital Projects (Earmarked & Service Reserves & Unsupported borrowing)									
Visitor Infrastructure	200							200	
Repairs to Melin Llynnon	103				38			65	
Recycling Equipment	380							380	
Fitness Equipment (David Hughes Leisure Centre)	100				100				
TOTAL New One Off Capital Projects (Earmarked & Service Reserves & Unsupported borrowing)	783	-	-	-	138	-	-	645	-
Sustainable Communities for Learning									
Band A	3,768	-		-	3,768				
Band B	4,830	2,169		1,168	1,493				
TOTAL	8,598	2,169	-	1,168	5,261	-			-
TOTAL GENERAL FUND	17,177	3,491	1,486	3,325	5,399	-	600	1,195	1,681

SCHEME	BUDGET 2022/23 £'000	External Grants £'000	FUNDED BY						
			General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000	Earmarked Reserve £'000	General Balances £'000
Housing Revenue Account									
WHQS Traditional Planned Maintenance Programme	9,555	2,685				6,870			
New Developments and re-purchase of RTB properties	9,229				6,000	3,229			
TOTAL HOUSING REVENUE ACCOUNT	18,784	2,685	-	-	6,000	10,099	-	-	-
TOTAL CAPITAL PROGRAMME 2022/23	35,961	6,176	1,486	3,325	11,399	10,099	600	1,195	1,681



Isle of Anglesey Capital Strategy

2022/23



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ISLE OF ANGLESEY
COUNTY COUNCIL

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ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	COUNTY COUNCIL
DATE:	10 MARCH 2022
SUBJECT:	MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2022/23
PORTFOLIO HOLDER(S):	COUNCILLOR R WILLIAMS
HEAD OF SERVICE:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES / SECTION 151 OFFICER
REPORT AUTHOR:	MARC JONES
TEL:	01248 752601
E-MAIL:	rmjfi@ynysmon.gov.uk
LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s

1. MEDIUM TERM FINANCIAL STRATEGY AND 2022/23 REVENUE BUDGET

1.1 Purpose

The Executive has agreed a number of key matters in respect of the 2022/23 budget. This allows the final recommendations to be presented to the Full Council at its meeting on 10 March 2022. The matters agreed by the Executive were:-

- The Council’s Revenue Budget and resulting Council Tax for 2022/23;
- The Council’s updated Medium Term Financial Strategy;
- The use of any one-off funds to support the budget.

1.2 Summary

This paper shows the detailed revenue budget proposals requiring final review and agreement for 2022/23, and the resulting impact on the Isle of Anglesey County Council’s revenue budget. These are matters for the Council to agree, and the Executive is asked to make final recommendations to the Council.

The paper also updates the Medium Term Financial Strategy, which provides a context for work on the Council’s future budgets. However, it should be noted that a further report on the Council’s Medium Term Financial Strategy will be presented to the Executive later in the year when further information on the economy and the proposed future local government financial settlement may be clearer.

2. 2022/23 REVENUE BUDGET AND COUNCIL TAX RECOMMENDATIONS

The Executive is recommending the following to the Full Council :-

- To note the formal consultation meetings on the budget and consider the resulting feedback, as outlined in Section 3 of Appendix 1;
- To agree the final details of the Council’s proposed budget, as shown in Section 7 of Appendix 1 and Appendix 2;
- To note the Section 151 Officer’s recommendation that the Council should maintain a minimum of £7.9m general balances;
- To note the comments made by the Section 151 Officer on the robustness of the estimates made, as set out in Section 5 of Appendix 1;

<ul style="list-style-type: none"> To recommend a net budget for the County Council of £158.367m. (The final budget differs from that reported to the executive due to an increase in the AEF of £2,254 in final settlement received) and resulting increase in the level of Council Tax of 2.00% (£26.82 – Band D) to the full Council, noting that a formal resolution, including the North Wales Police and Community Council precepts, will be presented to the Council on the 10 March 2022; To agree that any unforeseen pressures on demand led budgets during the financial year will be able to draw upon funding from the general contingencies budget; To request the Council to authorise the Executive to release up to £250k from general balances if the general contingencies budget is fully committed during the year; To delegate to the Section 151 Officer the power to release funding from the general contingency up to £50k for any single item. Any item in excess of £50k not to be approved without the prior consent of the Executive; To confirm that the level of Council Tax Premium for second homes increases to 50% and for empty homes remains at 100%. 		
B - What other options did you consider and why did you reject them and/or opt for this option?		
A number of options were considered following the issue of the initial budget proposals. The final budget proposals take account of the final local government settlement, views expressed during the consultation process and the views of the Scrutiny Committee.		
C - Why is this a decision for the Council?		
The Council's Constitution states that deciding on the budget is a matter for Full Council and it cannot be delegated		
CH - Is this decision consistent with policy approved by the full Council?		
Yes. The final decision on the 2022/23 revenue budget will be taken by the full Council at its meeting on 10 March 2022.		
D - Is this decision within the budget approved by the Council?		
N/A		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	In drawing up the budget proposal, the Executive has considered its statutory duties and the objectives set out in its Corporate Plan.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The details of any savings proposals are set out in the report.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	The Council has been working with other Councils and the WLGA to press the Welsh Government for the best financial settlement possible.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The budget proposals have been subject to a consultation process, the details of which are included in the report. The Executive has considered the results of the consultation before agreeing the final budget proposal.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Any proposals included in the final budget for 2022/23 will take into account the impact on any protected groups.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The budget will result in an increase in the Council Tax payable by the taxpayers of Anglesey. Those experiencing socio-economic disadvantage are more likely to qualify for help

		through the Council Tax Reduction Scheme, which should result in no financial impact / limited financial impact to those who are experiencing socio-economic disadvantage.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact identified.
DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	The Chief Executive and Senior Leadership Team have been part of the budget setting process throughout and are in agreement with the report and support the final budget proposal.
2	Finance / Section 151 (mandatory)	N/A – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is part of the SLT and, as such, the Officer's comments have been taken into account.
4	Human Resources (HR)	-
5	Property	-
6	Information Communication Technology (ICT)	-
7	Scrutiny	Final budget proposals were considered by the Scrutiny Committee at its meeting on 28 February 2022. A verbal update on the outcome of the meeting will be provided to the Executive.
8	Local Members	The Council's budget is applicable to all Members and consultation has taken place throughout the budget setting process.
9	Any external bodies / other/s	See Section 2 of the report.
F - Appendices:		
<ul style="list-style-type: none"> • Appendix 1 – Detailed report on the Budget Proposals • Appendix 2 – Summary of the Results of the Consultation Process • Appendix 3 – Summary of the Proposed Revenue Budget 2022/23 by Service 		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • Initial Budget Proposals for 2022/23 – Executive Committee – 24 January 2022 • Initial Budget Proposals for 2022/23 – Corporate Scrutiny Committee – 24 January 2022 • Medium Term Financial Plan for 2022/23 to 2024/25 – Executive Committee – 27 September 2021 • Full report on the Budget Consultation 		

1. INTRODUCTION AND BACKGROUND

- 1.1. The following report sets out the 2022/23 revenue budget proposals, and is one of a set of reports which provides an overall picture of the financial position of the Council and ensures that the Council funding is allocated to meet its priorities. The other reports in the set relate to the Council's Capital Programme and Capital Strategy, the Council's Treasury Management Strategy and Fees and Charges.
- 1.2. The revenue budget and the continued need to identify revenue savings has been driven by the Medium Term Financial Plan as approved by the Executive Committee in September 2021 and can be summarised as follows:-

Table 1
Medium Term Financial Plan 2022/23 to 2024/25

	2022/23 £'m	2023/24 £'m	2024/25 £'m
Net Revenue Budget B/F	147.420	153.987	157.178
Budget Pressures and Inflation	6.567	3.191	3.439
Revised Standstill Budget	153.987	157.178	160.617
Aggregate External Finance (AEF) for 2021/22	104.825	104.825	104.825
Council Tax	42.295	42.295	42.295
Total Funding	147.120	147.120	147.120
Additional Funding Requirement / Savings Required	6.867	10.058	13.497
Main Assumptions			
Pay Awards – Non Teaching	2.81%	2.00%	2.00%
Pay Awards - Teaching	1.60%	2.00%	2.00%
General Inflation	2.00%	2.00%	2.00%

- 1.3. Given the lack of forward information, it was difficult to estimate the change in the level of the Aggregate External Finance (AEF) provided by the Welsh Government for 2022/23, and even more difficult to estimate the changes in 2023/24 and 2024/25. The AEF is a significant figure from which the Council then determines the level of Council Tax increase and any savings it is required to make in each year.
- 1.4. The economic situation has clearly moved on from the position in September 2021, with inflation rising quickly and to a level which has not been seen for a number of years. This has had a significant impact on the pay and prices inflation factors and has increased the estimated budget requirement from that set out in the Medium Term Financial Plan in September 2021.

2. THE INITIAL BUDGET PROPOSAL

- 2.1. At its meeting on 24 January 2022, the Executive discussed its original budget proposal and the provisional budget settlement which the Welsh Government had published on 21 December 2021.
- 2.2. The provisional settlement was significantly better than anticipated, and would provide the Council with £114.549m, which is an increase in cash terms of £9.724m (9.27%) but, after allowing for grants transferring into the settlement and the effect of the change in the Council's taxbase, the adjusted increase was £9.677m (3.23%).
- 2.3. The Executive proposed a budget for 2022/23 of £158.365m and, given the provisional AEF of £114.549m, this would require an increase of 2.00% in Council Tax to balance the budget.

- 2.4.** In setting the proposed budget, the Executive recognised the need to begin re-investing in services that had seen significant budget cuts during the period of austerity. £2.86m has been allocated in the final budget proposal and will allow services to:-
- Deal with increased demands for services;
 - Mitigate risks to public safety;
 - Increase the level of resources directed to dealing with the Island's socio-economic challenges;
 - Continue the work to achieve a carbon zero organisation by 2030;
 - Continue to improve and modernise the Council's IT systems and business processes;
 - Continue to improve customer service.
- 2.5.** The budget proposal does not require any services to implement any budget savings for 2022/23.
- 2.6.** Although not intended as a measure of what the Council's net revenue budget should be, the Standard Spending Assessment (SSA) does give some indication as to whether the Council's budget is at a reasonable level for the Council. The SSA for 2022/23 is £159.692m and the proposed budget is, therefore, 99.2% of the SSA.

3. THE COUNCIL'S CONSULTATION

- 3.1.** The Council published its budget proposals on 26 January 2022 and the consultation period closed on 9 February 2022. Citizens, partners, stakeholders and staff were asked to respond to the consultation by responding to a questionnaire on the Council's website. The consultation process was widely advertised on the Council's social media.
- 3.2.** Given the short time available to undertake consultation, arising from the late announcement of the provisional settlement and the fact that the pandemic and associated lockdown has restricted the Council's ability to hold meetings with its partners and stakeholders. However the budget proposals were discussed at the Town and Community Council Forum on 7 February 2022, and the Schools' Finance Forum, which met on 16 February 2022. Both meetings were supportive of the proposals and no major concerns or objections were raised at the meetings.
- 3.3.** A summary of the results of the consultation process is as follows:-
- 115 responses were received, with nearly 30% of respondents within the 55-64 age group. Respondents replied from varying locations across Anglesey, from Holyhead to Benllech, Cemaes to Menai Bridge, Amlwch to Malltraeth, Rhosneigr, Llanfechell and Coedana, to name but a few.
 - 95% of responses received were either from individuals acting on behalf of themselves or individuals acting on behalf of their families.
 - Of those responses, 31% agreed that there should be a 2% increase in the Island's Council Tax to fund activities which address the pressures identified as part of the consultation. 69% of the responses received did not agree with such a rise.
 - Of those who did not agree with such a rise, when asked about what the Council should prioritise –
 - 34% proposed that the County Council should prioritise investment into Children's Services, followed by
 - 32% who believed the Council should prioritise investment into our highways, waste and property service, to address challenges relating to decarbonisation and ash dieback and the demand for additional cleanliness in Council assets as a result of the pandemic.
 - A further 21 responses believed that no such investment should be realised and that the County Council should continue as it is without the need for further investment.

4. SCRUTINY COMMITTEE

- 4.1. Due to the delays in receiving the provisional and final settlement, the budget timetable for 2022/23 has had to be condensed in order to ensure that the Council is in a position to set the Council Tax within the timeframe set out in the Local Government Finance Act 1992 (Section 30(6)). The 2022/23 initial budget proposal was considered by the Finance Scrutiny Committee at its meeting on 24 January 2022 and was given further consideration at its meeting of 28 February 2022, and a verbal report on the Committee's deliberations will be presented to the Executive at the Committee meeting. The Finance Scrutiny Panel examined in detail the service investment proposals at its meeting on 14 February 2022, and the Panel's comments were reported to the Corporate Scrutiny Committee meeting on 28 February 2022.

5. ROBUSTNESS OF ESTIMATES

- 5.1. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of budget estimates and the adequacy of the proposed financial reserves.
- 5.2. Budget estimates are based on assumptions of future expenditure and income and contain an element of assumption risk. The impact of this risk can be mitigated through contingency plans, contingency budgets and financial reserves.
- 5.3. The robustness of budget estimates is not simply a question of whether they are correctly calculated. In practice, many budgets are based on estimates or forecasts, and there may be an element of risk as to whether plans will be delivered or targets achieved. Different risks to the budget are considered in turn below:-
- **Inflation Risk** – When inflation levels are low and the overall movement in the inflation rate is small, then the inflation risk is low, as has been the case for a number of years. However, there is a greater level of uncertainty surrounding pay and price inflation in 2022/23, and this significantly increases the risk. During late 2021, inflation started to increase quickly, and it is expected that this increase will continue during the early part of 2022. However, there are differing opinions as to whether this is a spike in inflation, which will ease during the second half of 2022, or whether higher inflation will continue for all of 2022. To some extent, the Council is protected from this risk because a majority of our larger contracts (school meals, highway maintenance, refuse collection etc.) use inflation indices from September, October or November 2021 to determine the inflation for 2022/23. Given that these figures are known, they have been built into the proposed budget for 2022/23. Pay is the Council's largest cost, and the pay award for non-teaching staff for 2021/22 has yet to be agreed and no offer has been made for 2022/23. The budget proposal allows for an increase of 1.75% for 2021/22 and 3.5% for 2022/23. Any award above these figures would have to be funded from the Council's reserves. The teachers' pay award up to September 2022 has been agreed and, again, 3.5% has been allowed for the pay award which will be implemented in September 2022. For the remainder of the Council's expenditure, 2% has been allowed for as an inflation factor but, as the vast majority of the Council's expenditure is pay related or covered by a contract, the financial risk of under estimating this figure is low and would be mitigated by the Council holding sufficient general balances.
 - **Interest Rate Risk** - Interest rates affect a single year's revenue budget through the interest earned - i.e. an interest rate rise is beneficial. The Authority's Treasury Management Strategy requires investments to be made on the grounds of security and liquidity of the investment as the first consideration, with investment returns being a lower priority, therefore, the budget is not reliant on high investment returns. Interest rates continue to be very low, but are beginning to rise and may have to rise more sharply than anticipated if inflation continues to remain high. The majority of the interest paid by the Council relates to fixed rate loans which will not change should the interest rate rise. Therefore, the interest rate risk is considered low and, as in previous years, this is a compensating risk for inflation risk, because if one increases, the other is likely to increase also.

- **Grants Risk** - These are risks attached to the large number of specific grants from WG, Europe or other bodies which support a good proportion of Council spending. Some of these may be reduced substantially or cut altogether; we do not have a complete picture of all these and we will not even have one as the financial year begins. While the immediate response is to say that when the grant ceases, so must the associated expenditure, there is a risk that this may not always be possible. It may not be possible when contract terms mean the expenditure cannot be cut as quickly as the income, or involves unfunded severance costs. It may not be possible if the activity funded turns out to be so important to the delivery of the Council's own priorities that the Council decided it must continue the expenditure. Efforts to mitigate this risk are to ensure we have the best information available on each grant, but significant changes during the year cannot be entirely ruled out.
- **Income Risks** – The budget is based on securing an overall 3% increase in fees, and a number of services have assumed rises up to 3%. If the elasticity of demand for Council Services is such that volume falls, and income targets are not achieved, that may cause overspending on net budgets. This will require close monitoring of the net budget position and, if necessary, cutting back on spending to match reduced income.
- **Optimum Risk** – In previous years, probably the greatest risk in current circumstances is that the Authority, Members and Officers have been over-optimistic in the savings that will be achieved or that demand for services, particularly social care, will not increase significantly. For 2022/23, there are no savings proposed and, as such, this risk is not applicable to the 2022/23 budget.
- **Over-caution Risk** – This is the opposite of optimum risk: the danger that our budgets have been drawn up with too much caution and, so, are more than is required, and this would result in the Council Tax being set at a level that is higher than required, which is something that Members are keen to avoid. The Section 151 Officer is satisfied with the budget setting process and that the budget set is a fair assessment of the resources required by each service, based on the relevant factors as they stand at the moment.
- **Council Tax Premium** – In setting the taxbase, it is accepted that the number of empty properties and second homes can change during the year and, as such, only 80% of eligible properties are included in the taxbase. This protects the Council's budget should there be a significant drop in numbers. However, it should be noted that the number of empty properties used in the taxbase calculation fell from 394 properties in October 2020 to 324 properties in October 2021, and the number of second homes rose from 2,067 to 2,149 over the same period. The change in the level of the second home premium from 35% to 50% presents a significant risk in 2022/23. The increase may encourage second home owners to sell or let their property i.e. one of the intended purposes of increasing the premium, however, it may encourage a greater amount of non payment or avoidance by transferring to business rates or by other avoidance means. To mitigate the risk, additional staff will be employed to identify tax avoidance and minimise the amount of the premium lost as a result. As the Executive has committed to using all of the additional premium to address the issues caused by high numbers of second homes on Anglesey, any significant reduction in income would result in a reduction in the funding available for these initiatives in future years.

- **Council Tax Income** – The Council Tax income budget is based on the taxbase calculation as at November of the previous financial year. The taxbase changes constantly during the year, as new properties are included and exemptions and single person discounts are granted. These changes cannot be estimated and, invariably, lead to a difference between the actual debit raised and the budget. It should be noted that the number of properties being identified as self-catering accommodation and transferring to the business rates register has increased from 927 properties in February 2021 to 1,000 properties in February 2022, an increase of 83 properties. When a property moves across, the Valuation Office Agency will determine a date from which the property becomes liable for business rates, which can be a number of years back. Not only does the Council lose the Council Tax on these properties, but must also refund any Council Tax and premium which has been paid from the date when the property is placed on the Business Rates register. These movements can have a significant impact on the Council Tax yield in any one year.

The Covid pandemic has also resulted in the collection rate being lower than in previous years, and this may result in a financial loss in 2022/23 or future years, when uncollectable debts are eventually written off. The Welsh Government has provided grant funding to help cover the cost of uncollectable debts, and this funding will be released, if required, to mitigate the impact of a higher than normal level of debts written off.

- **Demand Risk** – A number of services can experience a change in the demand for its services. Some can be predicted and taken into account when setting the budget e.g. changes in pupil numbers. Others are more difficult to predict and a small increase in numbers can have a significant impact on costs. The budget allows for providing the service at current levels, with increases in demand covered by the Council's general balances or, in some cases, earmarked reserves.

- 5.4. Having considered all the risks noted above and the mitigating actions, the Section 151 Officer is of the view that the budgets are robust and deliverable.

6. GENERAL AND SPECIFIC RESERVES

- 6.1. The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget, which are set out in paragraph 5 above.
- 6.2. In terms of any contingencies and reserves, the Section 151 Officer needs to review these in their totality in conjunction with the base budget itself and the financial risks which face the Authority. In addition, the review should incorporate a medium term view where needed and should take into account key developments that may impact on the need and use of one off resources.
- 6.3. A robust view is being taken on managing budget risks and protecting the financial health of the Council at this time. This is particularly the case when one off funds need to be adequately protected to fund future strategic / transformational changes, as opposed to funding significant overspends on the base budget itself.
- 6.4. Account has been taken of the need to keep the immediate reductions in spending and the resulting impact on services to a minimum, but this must be balanced against the need to ensure the medium and long term financial stability of the Council, and for savings to be implemented over the coming years in a phased and structured way. In addition, there is always some risk of unforeseen items of expenditure or overspending because of a more general pressure on a service budget, and reserves must also be adequate to absorb these pressures.

- 6.5. As at 31 March 2021, the Council's general reserves stood at £11.437m, which is equivalent to 7.77% of the Council's net revenue budget for 2020/21, 10.94% if the delegated schools' budget is excluded. During the year, £3m has been allocated to the roof repairs at CAYB, £1.376m were transferred into specific service reserves and £0.150m has been used for other purposes, but £0.643m of previously earmarked reserves have been transferred back into general balances. Therefore, the revised level currently stands at £7.554m.
- 6.6. £1.681m of the general balances have been allocated as funding for the 2022/23 capital programme. However, it is anticipated that there will be a significant underspend in 2021/22, which will allow the general balances to be replenished, £2m being a conservative estimate, which should allow the general balances to be around £8m at the end of the financial year, which is around 5% of the net revenue budget for 2022/23.
- 6.7. The level of general balances is a matter for the Council to decide based on the recommendation of the Council's Section 151 Officer but, as a general rule, 5% of the net revenue budget is considered to be an acceptable level. It is a matter for debate whether the net revenue budget should exclude the delegated schools budget, as schools hold their own balances to meet unexpected costs. Based on the current financial situation, there is a high degree of confidence that the level of general balances will exceed 5% of the net revenue budget at the beginning of the 2022/23 financial year.
- 6.8. Financial risks are also mitigated by holding earmarked reserves, which are held to mitigate specific risks or to fund specific projects which are of benefit to the Council. At the beginning of the financial year, the Council held £15.455m as earmarked reserves (including £1.376m as specific service reserves). A significant part of the reserve balance could be returned to general balances if the financial position of the Council worsened significantly during 2022/23. These earmarked reserves give an additional layer of financial protection in addition to the Council's general balances.
- 6.9. The proposed revenue budget for 2022/23 includes £0.405m of general contingencies which can be used to fund unexpected and unbudgeted expenditure during the year. These budgets again, serve to mitigate the financial risks inherent when setting the revenue budget.
- 6.10. Having taken into consideration the level of the Council's general balances, school balances, earmarked reserves and contingency budgets, the Section 151 Officer is content that the Council's financial position is sufficiently robust to withstand any difficulties that may arise during 2022/23 if the proposed revenue budget is insufficient to meet the actual costs incurred by the Council during 2022/23.

7. FINAL BUDGET PROPOSAL 2022/23

- 7.1. Since the completion of the initial budget proposals, further work has been undertaken to review and revise the final budget for 2022/23, including a full review of all the investments in the services by the Executive. This has resulted in changes to the initial budget proposal in terms of individual budget headings and the budget allocations between services, but the review has not had any impact on the final net budget requirement, which remains at as set out in Table 2 below:-

Table 2
Adjustments to Initial Budget Proposal

	£m	£m
Final Proposed Net Revenue Expenditure Budget 2022/23		158.365
Funded By:		
Revenue Support Grant	89.056	
Non-Domestic Rates	25.493	
Total AEF		114.549
Council's General Reserves		0.000
Council Tax (including Premium)		43.816
Total Funding		158.365

7.2. The Welsh Government will publish its final local government settlement on 2 March 2022, which will be too late for the Executive to take account of in its final budget proposals. It is not anticipated that there will be any significant change between the provisional and final settlement, but any change will be accounted for by adjusting the level of general contingency if the variance is small, or by funding from / contributing to the Council's general balances should the variance be larger. As such, the proposed level of Council Tax will remain unchanged even if the final AEF differs from the figure shown in the provisional settlement.

8. COUNCIL TAX

8.1. The Council's Band D Council Tax charge for 2021/22 was £1,340.64, which was 17th from the 22 Authorities in Wales and is lower than the Welsh Average of £1,430. More importantly for Anglesey is the comparison to the 5 other North Wales authorities. This is shown in Table 3 below:-

Table 3
Comparison of Council Tax Band Charges for North Wales Authorities

Authority	Band D Charge 2021/22 £	Amount Above / Below Anglesey £	Percentage Above / Below Anglesey %
Anglesey	1,341		
Gwynedd	1,483	+ £142	+ 10.6%
Conwy	1,383	+ £42	+ 3.1%
Denbighshire	1,437	+ £96	+ 7.2%
Flintshire	1,394	+ £53	+ 4.0%
Wrexham	1,319	- £22	- 1.6%

8.2. The Council Tax budget for 2022/23 (prior to an increase in the Council Tax but after adjusting for the change in the Council Tax Base and premium) is £41.14m. Therefore, each 1% increase generates an additional £411k.

8.3. After taking into account the provisional settlement figure of £114.549m, the revised budget requirement of £158.365m (see Table 2) would require £42.957m in Council Tax funding. To fund the revised budget requirement, the increase in the level of Council Tax would be 2.00%, taking the Band D charge to £1,367.46, an increase of £26.82 or £0.51 per week.

8.4. In the provisional settlement, the standard tax element for the Council i.e. the standard Council Tax figure across Wales, which is used to determine the AEF for each Council, was set at £1,452.49, which is 3.5% higher than the 2021/22 figure.

9. EQUALITIES IMPACT ASSESSMENT

9.1. In delivering its services, the Council has to be mindful of its duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 to assess the impact of key financial decisions on protected groups and have due regard to the result of such assessments.

9.2. The proposed budget will not impact on any of the protected groups set out in the Regulations and, as a result, no Equality Impact Assessments are considered necessary.

10. UPDATING THE MEDIUM TERM FINANCIAL STRATEGY

10.1. As stated in paragraph 1.4, the economic situation has changed considerably since the Council approved the Medium Term Financial Strategy (MTFS) in September 2021. In addition the provisional local government settlement for 2022/23 also changes the strategy significantly. The indicated increases in the AEF provides a little more certainty over the Council's funding over the subsequent two years, and this allows an update of the MTFS.

- 10.2. The main area of uncertainty for the MTFS moving forward is inflation and its impact on future pay awards, whilst Covid and Brexit could still have a major impact on the nation's economy and as a consequence, on the Council's funding in 2023/24 and beyond and also the demand for Council services.
- 10.3. However, based on the majority of the assumptions that were included in the MTFS approved in September 2021 but updating the assumptions for pay, inflation and the AEF, it is estimated that the Council's budget will increase by £3.3m in 2023/24 and £3.6m in 2024/25. The AEF would increase by £4m in 2023/24 and £2.8m in 2024/25.
- 10.4. The figures shown in paragraph 10.3 are based on a number of assumptions which will change over the coming months and this may alter the financial position significantly but, based on the above there may be some scope for further re-investment in services in 2023/24, but the financial position worsens in 2024/25. However the revised MTFS does not indicate that the budget for 2022/23 is unaffordable in future years.
- 10.5. An updated MTFS will be presented to the Executive in September 2022.

11. CONCLUSIONS

- 11.1. It is important that the budget set is achievable and accurately reflects the demands faced by services currently, although it is noted that a re-introduction of Covid restrictions would have a significant impact on the Council's budget. However, the budget assumes that the position will be no worse than it is now and that the restrictions will continue to ease over the coming months.
- 11.2. The local government settlement is better than anticipated and, although it requires the Council to commit funding to some specific areas it also gives the Council the opportunity to re-invest in some services which have been most affected by budget reductions over the past 10 years.
- 11.3. The additional grant funding that has been made available by Welsh Government has allowed the Council to strengthen its financial position and placed it in a stronger financial position moving forward into 2022/23 and beyond. There is always a risk that there is an increase in the demand for Council services which is not covered in the budget, but the increased level of general balances and earmarked reserves mitigates the risk substantially.
- 11.4. Therefore, in the professional opinion of the Section 151 Officer, the proposed revenue budget for 2022/23 achieves the following objectives:-
 - Ensures that the financial resources allocated to each service is sufficient to meet the current budget pressures and fulfil the demand for the statutory functions which the services must provide.
 - Addresses the continued underlying financial pressures in the Services which have been impacted most by an increased demand for services: Education, Children's Services and Adults Services, and allows for some re-investment in services which have been most affected during the period of austerity.
 - Sets a level of Council Tax which is comparable with the Welsh Government's assessment of where Anglesey's Council Tax should be, and is in line with the Council Tax set by other Welsh authorities of a similar size and type.

12. RECOMMENDATIONS

- 12.1. The Executive is recommended to approve the final budget proposal, as set out in Paragraph 7, to the full Council meeting on 10 March 2022.

FINAL BUDGET PROPOSAL 2022/23 BY SERVICE

	Final Proposed Budget 2022/23 £
Education and Culture	57,268,324
Adult Services	29,963,922
Children's Services	11,715,110
Housing Services	1,914,489
Highways, Waste and Property	17,562,513
Regulation and Economic Development	4,619,800
Corporate Transformation	6,308,016
Resources	3,428,949
Council Business	1,857,068
Corporate Management	735,469
Total Service Budgets	135,373,660
Corporate and Democratic Costs	3,029,952
Recharges to HRA	(800,000)
Levies	3,957,345
Capital Financing	7,208,908
Benefits Granted	109,239
Discretionary Rate Relief	72,471
Council Tax Reduction Scheme	6,304,169
Total Allocated Budgets	155,255,744
General & Other Contingencies	2,492,347
Budget Pressures (Held Initially as a Contingency Budget)	616,830
Total Budget 2022/23	158,364,921
Funded By	
Revenue Support Grant	(89,056,039)
Non Domestic Rates	(25,492,959)
Council Tax (Including Council Tax Premium)	(43,815,923)
Council Reserves	0
Total Funding	(158,364,921)
Difference Budget to Funding	-

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	COUNTY COUNCIL
Date:	10 MARCH 2022
Subject:	FINAL CAPITAL BUDGET 2022/23
Portfolio Holder(s):	COUNCILLOR R WILLIAMS
Head of Service / Director:	MARC JONES
Report Author: Tel: E-mail:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER 01248 752601 rmjfi@ynysmon.gov.uk
Local Members:	n/a

A –Recommendation/s and reason/s

1. PURPOSE OF THE REPORT

The Council is asked to approve a capital budget for 2022/23.

2. RECOMMENDATIONS

2.1 To recommend to the full Council the following capital programme for 2022/23:-

	Ref (within draft Capital Budget Report 2022/23, Executive 24 January 2022)	£'000
2021/22 Schemes Brought Forward	Para 4.1 & Table 2	1,322
Refurbishment / Replacement of Assets	Para 4.2.	5,042
New One Off Capital Projects	Para 5.2 & Table 3	1,432
New One Off Capital Projects (Funded from Reserves and Unsupported Borrowing)	Para 5.3 & Table 4	783
21 st Century Schools	Para 6	8,598
Housing Revenue Account	Para 7	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
21 st Century Schools Supported Borrowing		1,168
21 st 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

B – What other options did you consider and why did you reject them and/or opt for this option?		
A number of additional schemes are to be considered in the capital programme, with the main driving factor in funding being affordability and the maximisation of external grant funding.		
C – Why is this a decision for the County Council?		
The Council's Constitution states that deciding on the budget is a matter for Full Council and it cannot be delegated.		
CH – Is this decision consistent with policy approved by the full Council?		
Yes		
D – Is this decision within the budget approved by the Council?		
N/A		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	The capital budget ensures funding to maintain the Council's assets and forms part of the strategy to meet the objectives set out in the Council's corporate plan.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Continued maintenance of the Council's assets will prevent larger costs in the future.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Capital projects in respect of 21st Century Schools and the HRA are aligned to priorities set out by the Welsh Government.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The capital budget has been subject to a formal budget consultation prior to final approval by the Council in March 2022.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The capital budget ensures funding to maintain the Council's assets and forms part of the strategy to meet the objectives set out in the Council's corporate plan.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	None identified.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact identified.

E - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	Comments from the SLT have been incorporated into the report.
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer’s report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a Member of the SLT and any comments made have been taken into account in discussions on this report in the SLT.
4	Human Resources (HR)	Any proposals which impact on staff will have been identified and discussed with the HR Team
5	Property	Any proposal which impacts on the Council’s property and related budgets will have been discussed with the Property Team.
6	Information Communication Technology (ICT)	Any proposal which impacts on the Council’s information technology systems and related budgets will have been discussed with the ICT Team.
7	Scrutiny	The Scrutiny Committee resolved on 28 February to recommend to the County Council to adopt the capital budget
8	Local Members	Proposals are applicable to all Members.
9	Any external bodies / other/s	
F - Appendices:		
Appendix 1 – Report on the Capital Budget 2022/23 Appendix 2 – Final Proposed Capital Budget 2022/23		
FF - Background papers (please contact the author of the Report for any further information):		
Capital Strategy Report – full Council 9 March 2021 Capital Budget 2021/22 – full Council 9 March 2021		

1. INTRODUCTION

- 1.1. At its meeting on 24 January 2022, the Executive recommended to approve the following provisional Capital Programme for 2022/23, as shown in Table 1 below. The draft Capital Budget for 2022/23, set out below in Table 1, takes into account the principles set out in the Capital Strategy, which was approved by the Executive in March 2021 and the full Council in March 2021. It also meets the principles of the Draft Capital Strategy 2022/23, which will be considered alongside this Capital Programme and will be presented to full Council on 10 March 2022.

Table 1

**Summary Recommended Capital Programme 2022/23
Recommended at the Executive 24 January 2022**

	Ref (within draft Capital Budget Report 2022/23, Executive 24 January 2022)	£'000
2021/22 Schemes Brought Forward	Para 4.1 & Table 2	1,322
Refurbishment / Replacement of Assets	Para 4.2.	5,042
New One Off Capital Projects	Para 5.2 & Table 3	1,432
New One Off Capital Projects (Funded from Reserves and Unsupported Borrowing)	Para 5.3 & Table 4	783
21 st Century Schools	Para 6	8,598
Housing Revenue Account	Para 7	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
21 st Century Schools Supported Borrowing		1,168
21 st 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

2. OUTCOME OF PUBLIC CONSULTATION PROCESS

2.1. A number of comments relating to the Draft Capital Programme 2022/23 were received during the budget consultation 2022/23, which closed on 9 February 2022.

2.1.1 Many people questioned the amount to be spent on upgrading public conveniences, while others were in agreement that this was a priority.

2.1.2 Repairs to Melin Llynnon were generally not supported, specifically due to using education reserves to fund the repairs.

2.1.3 Some people were keen to see an investment in visitor facilities, embracing tourism and the provision and improvement of car parking facilities for tourists.

2.1.4 Respondents would like to see an improvement in the state of Council houses and garages that already exist.

2.1.5 A significant number of the responses received wanted to see an improvement to their roads and an investment in the roads network, not just by filling potholes.

2.1.6 A number of people questioned the need to build external canopies at schools and whether the money would be better being spent on education resources and equipment. In general, more education resources was suggested.

2.1.7 Respondents suggested an improvement to Home Care and care for the elderly to prevent unnecessary hospital stays, and a general investment in Care Homes to provide better facilities.

2.1.8 Decarbonisation was mentioned and tackling the challenge of decarbonising the local authority's activities and assets for future generations.

3. UPDATING THE CAPITAL PROGRAMME SINCE DRAFT CAPITAL BUDGET WAS PRESENTED IN JANUARY 2021

3.1 There have been no changes made to the proposed capital budget since it was last presented to this Committee on 24 January 2022.

4. 2021/22 SLIPPAGE

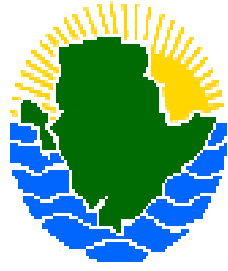
4.1 There is a forecast underspend of £26.17m on the current Capital Programme for 2021/22 schemes (£12.169m HRA and £14.001m General Fund). This figure is based on the projected outturn position at the end of quarter 3. The actual outturn position at the end of quarter 4 will be presented to this Committee in a separate capital outturn report, and any slippage amounts requested to be carried forward to 2022/23 will be subject to this Committee's approval at that stage. Committed schemes that are due to run for a number of years, from the current year and beyond, have been factored in to this programme due to new budgets being required.

FINAL PROPOSED CAPITAL BUDGET 2022/23

Scheme	Budget £'000	External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000	Earmarked Reserves £'000	General Balances £'000
2021/22 Committed schemes b/f									
Penrhos Phase 2	493	493	0	0	0	0	0	0	0
Llangefni Gateway Joint Venture	119	119	0	0	0	0	0	0	0
Tourism Gateway	170	170	0	0	0	0	0	0	0
Holyhead Landscape Partnership	190	190	0	0	0	0	0	0	0
Holyhead Regeneration (THI Ph II)	350	350	0	0	0	0	0	0	0
Total 2021/22 Committed Schemes	1,322	1,322	0	0	0	0	0	0	0
Refurbishment / Replacement of Assets									
Disabled Facilities Grant	750	0	750	0	0	0	0	0	0
Refurbishment of Schools	1,000	0	0	1,000	0	0	0	0	0
Refurbishment of Non School Buildings	700	0	450	0	0	0	0	250	0
Highways Resurfacing	2,000	0	14	876	0	0	0	0	1,110
Vehicles	300	0	100	0	0	0	0	200	0
IT Assets	292	0	0	0	0	0	292	0	0
Total Refurbishment / Replacement of Assets	5,042	0	1,314	1,876	0	0	292	450	1,110
New One Off Capital Projects									
Flood Relief Schemes	281	0	0	281	0	0	0	0	0
Economic Dev – Match Funding	100	0	100	0	0	0	0	0	0
Upgrade of Public Toilets	480	0	72	0	0	0	308	100	0
External Canopies (3 Secondary Schools)	371	0	0	0	0	0	0	0	371
Maritime Infrastructure	200	0	0	0	0	0	0	0	200
Total New One Off Capital Projects	1,432	0	172	281	0	0	308	100	571
Other One Off Capital Projects (Funded from Earmarked Reserves, Service Reserves & Unsupported Borrowing)									

Scheme	Budget £'000	External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000	Earmarked Reserves £'000	General Balances £'000
Coastal Infrastructure	200	0	0	0	0	0	0	200	0
Repairs to Melin Llynonn	103	0	0	0	38	0	0	65	0
Upgrade Waste Recycling Equipment	380	0	0	0	0	0	0	380	0
Fitness Equipment – David Hughes LC	100	0	0	0	100	0	0	0	0
Total Other One Off Capital Projects	783	0	0	0	138	0	0	645	0
21st Century Schools									
Band A	3,768	0	0	0	3,768	0	0	0	0
Band B	4,830	2,169	0	1,168	1,493	0	0	0	0
Total 21st Century Schools	8,598	2,169	0	1,168	5,261	0	0	0	0
TOTAL GENERAL FUND	17,177	3,491	1,486	3,325	5,399	0	600	1,195	1,681
Housing Revenue Account									
WHQS Planned Maintenance Programme	9,555	2,685	0	0	0	6,870	0	0	0
New Developments & Re-Purchase of Right to Buy Properties	9,229	0	0	0	6,000	3,229	0	0	0
TOTAL HOUSING REVENUE ACCOUNT	18,784	2,685	0	0	6,000	10,099	0	0	0
TOTAL CAPITAL PROGRAMME 2022/23	35,961	6,176	1,486	3,325	11,399	10,099	600	1,195	1,681

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CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

**PENDERFYNIAD DRAFFT
AR OSOD
Y DRETH GYNGOR
2022/23**

**DRAFT RESOLUTION
ON SETTING
THE COUNCIL TAX
2022/23**

DRAFT COUNCIL TAX RESOLUTION

1. RESOLVED

- (a) Pursuant to the recommendations of the Executive, to adopt the 2022/23 Budget at Section 7 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 2022/23 as shown at Table 2, Section 7 of the 2022/23 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 2022/23 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 2022/23 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 Committee, for the financial year 2022/23, the powers to transfer budgets between headings as follows:-
 - (i) unlimited powers to spend each budget heading in Appendix 3 Final Budget Proposal 2022/23 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 Committee, in respect of the financial year 2022/23 and on the advice of the Head of Function (Resources), the power to release up to £250k from general balances to deal with priorities arising during the year.
- (e) To delegate to the Executive Committee in respect of the period to 31 March 2023, 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 2022/23 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 2022/23 and onwards as shown in the report on the Treasury Management Strategy Statement 2022/23.
- (ff) To approve the Treasury Management Strategy Statement for 2022/23 and the Capital Strategy 2022/23.
- (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 2022/23 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 2022/23 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 2022/23 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 or for dwellings occupied periodically (usually known as second homes) to apply a higher amount of Council Tax (called a Council tax Premium) of 50% 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 29 November 2021 approved the amount calculated by the Isle of Anglesey County Council for its council tax base for 2022/23 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 03 March 2022
7. At its meeting on 29 November 2021, the Executive, in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base)(Wales) Regulations 1995 (SI19956/2561) 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 2022/23, as follows:-
- a) **32,042.00** 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 2022/23
Amlwch	1,545.22
Beaumaris	1,085.71
Holyhead	4,074.82
Llangefni	2,004.11
Menai Bridge	1,487.65
Llanddaniel-fab	378.55
Llanddona	391.17
Cwm Cadnant	1,167.07
Llanfair Pwllgwyngyll	1,328.75
Llanfihangel Ysgeifiog	706.93
Bodorgan	471.87
Llangoed	661.96
Llangristiolus & Cerrig Ceinwen	635.80
Llanidan	418.37
Rhosyr	1,050.47
Penmynydd	249.26
Pentraeth	586.10
Moelfre	644.83

Community/Town Council Areas	Tax Base 2022/23
Llanbadrig	686.13
Llanddyfnan	519.58
Llaneilian	601.38
Llanerch-y-medd	534.54
Llaneugrad	188.64
Llanfair Mathafarn Eithaf	1,906.08
Cylch y Garn	399.84
Mechell	578.41
Rhos-y-bol	472.27
Aberffraw	307.60
Bodedern	428.70
Bodffordd	426.13
Trearddur	1,320.49
Tref Alaw	270.99
Llanfachraeth	227.68
Llanfaelog	1,307.06
Llanfaethlu	270.06
Llanfair-yn-Neubwll	583.32
Valley	1,022.71
Bryngwran	359.82
Rhoscolyn	369.16
Trewalchmai	372.77
Total Taxbase	32,042.00

8. That the following amounts be now calculated by the Council for the year 2022/23, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- a) £217,857,935 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) £57,768,194 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) £160,089,741 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) £114,551,252 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) £ 1,421.21 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) £ 1,722,341 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
 - e) £ 1,367.46 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.

f)

		Band D equivalent per area including Isle of Anglesey Council and Community/Town Council elements
Amlwch	£	1,433.70
Beaumaris	£	1,394.64
Holyhead	£	1,523.43
Llangefni	£	1,479.78
Menai Bridge	£	1,437.66
Llanddaniel-fab	£	1,397.25
Llanddona	£	1,389.15
Cwm Cadnant	£	1,396.26
Llanfair Pwllgwyngyll	£	1,412.55
Llanfihangel Ysgeifiog	£	1,398.78
Bodorgan	£	1,392.84
Llangoed	£	1,393.47
Llangristiolus & Cerrig Ceinwen	£	1,379.97
Llanidan	£	1,400.49
Rhosyr	£	1,392.57
Penmynydd	£	1,399.50
Pentraeth	£	1,389.60
Moelfre	£	1,385.46
Llanbadrig	£	1,411.56
Llanddyfnan	£	1,387.62
Llaneilian	£	1,390.68
Llanerch-y-medd	£	1,402.47
Llaneugrad	£	1,388.61
Llanfair Mathafarn Eithaf	£	1,397.70
Cylch y Garn	£	1,384.92
Mechell	£	1,384.74
Rhos-y-bol	£	1,384.38
Aberffraw	£	1,406.43
Bodedern	£	1,400.04
Bodffordd	£	1,393.20
Trearddur	£	1,394.64
Tref Alaw	£	1,392.30
Llanfachraeth	£	1,402.92
Llanfaelog	£	1,399.59
Llanfaethlu	£	1,388.70
Llanfair-yn-Neubwll	£	1,396.53
Valley	£	1,404.00
Bryngwran	£	1,403.55
Rhoscolyn	£	1,378.26
Trewalchmai	£	1,399.59

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	£	955.80	1,115.10	1,274.40	1,433.70	1,752.30	2,070.90	2,389.50	2,867.40	3,345.30
Beaumaris	£	929.76	1,084.72	1,239.68	1,394.64	1,704.56	2,014.48	2,324.40	2,789.28	3,254.16
Holyhead	£	1,015.62	1,184.89	1,354.16	1,523.43	1,861.97	2,200.51	2,539.05	3,046.86	3,554.67
Llangefni	£	986.52	1,150.94	1,315.36	1,479.78	1,808.62	2,137.46	2,466.30	2,959.56	3,452.82
Menai Bridge	£	958.44	1,118.18	1,277.92	1,437.66	1,757.14	2,076.62	2,396.10	2,875.32	3,354.54
Llanddaniel-fab	£	931.50	1,086.75	1,242.00	1,397.25	1,707.75	2,018.25	2,328.75	2,794.50	3,260.25
Llanddona	£	926.10	1,080.45	1,234.80	1,389.15	1,697.85	2,006.55	2,315.25	2,778.30	3,241.35
Cwm Cadnant	£	930.84	1,085.98	1,241.12	1,396.26	1,706.54	2,016.82	2,327.10	2,792.52	3,257.94
Llanfair Pwllgwyngyll	£	941.70	1,098.65	1,255.60	1,412.55	1,726.45	2,040.35	2,354.25	2,825.10	3,295.95
Llanfihangel Ysgeifiog	£	932.52	1,087.94	1,243.36	1,398.78	1,709.62	2,020.46	2,331.30	2,797.56	3,263.82
Bodorgan	£	928.56	1,083.32	1,238.08	1,392.84	1,702.36	2,011.88	2,321.40	2,785.68	3,249.96
Llangoed	£	928.98	1,083.81	1,238.64	1,393.47	1,703.13	2,012.79	2,322.45	2,786.94	3,251.43
Llangristiolus & Cerrig Ceinwen	£	919.98	1,073.31	1,226.64	1,379.97	1,686.63	1,993.29	2,299.95	2,759.94	3,219.93
Llanidan	£	933.66	1,089.27	1,244.88	1,400.49	1,711.71	2,022.93	2,334.15	2,800.98	3,267.81
Rhosyr	£	928.38	1,083.11	1,237.84	1,392.57	1,702.03	2,011.49	2,320.95	2,785.14	3,249.33
Penmynydd	£	933.00	1,088.50	1,244.00	1,399.50	1,710.50	2,021.50	2,332.50	2,799.00	3,265.50
Pentraeth	£	926.40	1,080.80	1,235.20	1,389.60	1,698.40	2,007.20	2,316.00	2,779.20	3,242.40
Moelfre	£	923.64	1,077.58	1,231.52	1,385.46	1,693.34	2,001.22	2,309.10	2,770.92	3,232.74
Llanbadrig	£	941.04	1,097.88	1,254.72	1,411.56	1,725.24	2,038.92	2,352.60	2,823.12	3,293.64
Llanddyfnan	£	925.08	1,079.26	1,233.44	1,387.62	1,695.98	2,004.34	2,312.70	2,775.24	3,237.78
Llaneilian	£	927.12	1,081.64	1,236.16	1,390.68	1,699.72	2,008.76	2,317.80	2,781.36	3,244.92
Llanerch-y-medd	£	934.98	1,090.81	1,246.64	1,402.47	1,714.13	2,025.79	2,337.45	2,804.94	3,272.43
Llaneugrad	£	925.74	1,080.03	1,234.32	1,388.61	1,697.19	2,005.77	2,314.35	2,777.22	3,240.09
Llanfair Mathafarn Eithaf	£	931.80	1,087.10	1,242.40	1,397.70	1,708.30	2,018.90	2,329.50	2,795.40	3,261.30
Cylch y Garn	£	923.28	1,077.16	1,231.04	1,384.92	1,692.68	2,000.44	2,308.20	2,769.84	3,231.48
Mechell	£	923.16	1,077.02	1,230.88	1,384.74	1,692.46	2,000.18	2,307.90	2,769.48	3,231.06
Rhos-y-bol	£	922.92	1,076.74	1,230.56	1,384.38	1,692.02	1,999.66	2,307.30	2,768.76	3,230.22
Aberffraw	£	937.62	1,093.89	1,250.16	1,406.43	1,718.97	2,031.51	2,344.05	2,812.86	3,281.67
Bodedern	£	933.36	1,088.92	1,244.48	1,400.04	1,711.16	2,022.28	2,333.40	2,800.08	3,266.76
Bodffordd	£	928.80	1,083.60	1,238.40	1,393.20	1,702.80	2,012.40	2,322.00	2,786.40	3,250.80
Trearddur	£	929.76	1,084.72	1,239.68	1,394.64	1,704.56	2,014.48	2,324.40	2,789.28	3,254.16
Tref Alaw	£	928.20	1,082.90	1,237.60	1,392.30	1,701.70	2,011.10	2,320.50	2,784.60	3,248.70
Llanfachraeth	£	935.28	1,091.16	1,247.04	1,402.92	1,714.68	2,026.44	2,338.20	2,805.84	3,273.48
Llanfaelog	£	933.06	1,088.57	1,244.08	1,399.59	1,710.61	2,021.63	2,332.65	2,799.18	3,265.71
Llanfaethlu	£	925.80	1,080.10	1,234.40	1,388.70	1,697.30	2,005.90	2,314.50	2,777.40	3,240.30
Llanfair-yn-Neubwll	£	931.02	1,086.19	1,241.36	1,396.53	1,706.87	2,017.21	2,327.55	2,793.06	3,258.57
Valley	£	936.00	1,092.00	1,248.00	1,404.00	1,716.00	2,028.00	2,340.00	2,808.00	3,276.00
Bryngwran	£	935.70	1,091.65	1,247.60	1,403.55	1,715.45	2,027.35	2,339.25	2,807.10	3,274.95
Rhoscolyn	£	918.84	1,071.98	1,225.12	1,378.26	1,684.54	1,990.82	2,297.10	2,756.52	3,215.94
Trewalchmai	£	933.06	1,088.57	1,244.08	1,399.59	1,710.61	2,021.63	2,332.65	2,799.18	3,265.71

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 2022/23, 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	£	211.20	246.40	281.60	316.80	387.20	457.60	528.00	633.60	739.20

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 2022/23 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	£	1,167.00	1,361.50	1,556.00	1,750.50	2,139.50	2,528.50	2,917.50	3,501.00	4,084.50
Beaumaris	£	1,140.96	1,331.12	1,521.28	1,711.44	2,091.76	2,472.08	2,852.40	3,422.88	3,993.36
Holyhead	£	1,226.82	1,431.29	1,635.76	1,840.23	2,249.17	2,658.11	3,067.05	3,680.46	4,293.87
Llangefni	£	1,197.72	1,397.34	1,596.96	1,796.58	2,195.82	2,595.06	2,994.30	3,593.16	4,192.02
Menai Bridge	£	1,169.64	1,364.58	1,559.52	1,754.46	2,144.34	2,534.22	2,924.10	3,508.92	4,093.74
Llanddaniel-fab	£	1,142.70	1,333.15	1,523.60	1,714.05	2,094.95	2,475.85	2,856.75	3,428.10	3,999.45
Llanddona	£	1,137.30	1,326.85	1,516.40	1,705.95	2,085.05	2,464.15	2,843.25	3,411.90	3,980.55
Cwm Cadnant	£	1,142.04	1,332.38	1,522.72	1,713.06	2,093.74	2,474.42	2,855.10	3,426.12	3,997.14
Llanfair Pwllgwyngyll	£	1,152.90	1,345.05	1,537.20	1,729.35	2,113.65	2,497.95	2,882.25	3,458.70	4,035.15
Llanfihangel Ysgeifiog	£	1,143.72	1,334.34	1,524.96	1,715.58	2,096.82	2,478.06	2,859.30	3,431.16	4,003.02
Bodorgan	£	1,139.76	1,329.72	1,519.68	1,709.64	2,089.56	2,469.48	2,849.40	3,419.28	3,989.16
Llangoes	£	1,140.18	1,330.21	1,520.24	1,710.27	2,090.33	2,470.39	2,850.45	3,420.54	3,990.63
Llangristiolus & Cerrig Ceinwen	£	1,131.18	1,319.71	1,508.24	1,696.77	2,073.83	2,450.89	2,827.95	3,393.54	3,959.13
Llanidan	£	1,144.86	1,335.67	1,526.48	1,717.29	2,098.91	2,480.53	2,862.15	3,434.58	4,007.01
Rhosyr	£	1,139.58	1,329.51	1,519.44	1,709.37	2,089.23	2,469.09	2,848.95	3,418.74	3,988.53
Penmynydd	£	1,144.20	1,334.90	1,525.60	1,716.30	2,097.70	2,479.10	2,860.50	3,432.60	4,004.70
Pentraeth	£	1,137.60	1,327.20	1,516.80	1,706.40	2,085.60	2,464.80	2,844.00	3,412.80	3,981.60
Moelfre	£	1,134.84	1,323.98	1,513.12	1,702.26	2,080.54	2,458.82	2,837.10	3,404.52	3,971.94
Llanbadrig	£	1,152.24	1,344.28	1,536.32	1,728.36	2,112.44	2,496.52	2,880.60	3,456.72	4,032.84
Llanddyfnan	£	1,136.28	1,325.66	1,515.04	1,704.42	2,083.18	2,461.94	2,840.70	3,408.84	3,976.98
Llaneilian	£	1,138.32	1,328.04	1,517.76	1,707.48	2,086.92	2,466.36	2,845.80	3,414.96	3,984.12
Llanerch-y-medd	£	1,146.18	1,337.21	1,528.24	1,719.27	2,101.33	2,483.39	2,865.45	3,438.54	4,011.63
Llaneugrad	£	1,136.94	1,326.43	1,515.92	1,705.41	2,084.39	2,463.37	2,842.35	3,410.82	3,979.29
Llanfair Mathafarn Eithaf	£	1,143.00	1,333.50	1,524.00	1,714.50	2,095.50	2,476.50	2,857.50	3,429.00	4,000.50
Cylch y Garn	£	1,134.48	1,323.56	1,512.64	1,701.72	2,079.88	2,458.04	2,836.20	3,403.44	3,970.68
Mechell	£	1,134.36	1,323.42	1,512.48	1,701.54	2,079.66	2,457.78	2,835.90	3,403.08	3,970.26
Rhos-y-bol	£	1,134.12	1,323.14	1,512.16	1,701.18	2,079.22	2,457.26	2,835.30	3,402.36	3,969.42
Aberffraw	£	1,148.82	1,340.29	1,531.76	1,723.23	2,106.17	2,489.11	2,872.05	3,446.46	4,020.87
Bodedern	£	1,144.56	1,335.32	1,526.08	1,716.84	2,098.36	2,479.88	2,861.40	3,433.68	4,005.96
Bodffordd	£	1,140.00	1,330.00	1,520.00	1,710.00	2,090.00	2,470.00	2,850.00	3,420.00	3,990.00
Trearddur	£	1,140.96	1,331.12	1,521.28	1,711.44	2,091.76	2,472.08	2,852.40	3,422.88	3,993.36
Tref Alaw	£	1,139.40	1,329.30	1,519.20	1,709.10	2,088.90	2,468.70	2,848.50	3,418.20	3,987.90
Llanfachraeth	£	1,146.48	1,337.56	1,528.64	1,719.72	2,101.88	2,484.04	2,866.20	3,439.44	4,012.68
Llanfaelog	£	1,144.26	1,334.97	1,525.68	1,716.39	2,097.81	2,479.23	2,860.65	3,432.78	4,004.91
Llanfaethlu	£	1,137.00	1,326.50	1,516.00	1,705.50	2,084.50	2,463.50	2,842.50	3,411.00	3,979.50
Llanfair-yn-Neubwll	£	1,142.22	1,332.59	1,522.96	1,713.33	2,094.07	2,474.81	2,855.55	3,426.66	3,997.77
Valley	£	1,147.20	1,338.40	1,529.60	1,720.80	2,103.20	2,485.60	2,868.00	3,441.60	4,015.20
Bryngwran	£	1,146.90	1,338.05	1,529.20	1,720.35	2,102.65	2,484.95	2,867.25	3,440.70	4,014.15
Rhoscolyn	£	1,130.04	1,318.38	1,506.72	1,695.06	2,071.74	2,448.42	2,825.10	3,390.12	3,955.14
Trewalchmai	£	1,144.26	1,334.97	1,525.68	1,716.39	2,097.81	2,479.23	2,860.65	3,432.78	4,004.91

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Isle of Anglesey County Council	
Report to:	County Council
Date:	10 March, 2022
Subject:	Establishing the Isle of Anglesey County Council Towards Net Zero Plan 2022 – 2025
Portfolio Holder(s):	Councillor Dafydd Rhys Thomas (Climate Change Champion)
Head of Service / Director:	Dylan Williams, Deputy Chief Executive
Report Author: Tel: E-mail:	Rhys Alun Williams, Climate Change Manager Rhyswilliams3@ynysmon.gov.uk
Local Members:	All elected Members

A –Recommendation/s and reason/s

Recommended that the Towards Net Zero Plan 2022-25 is adopted by the County Council.

1. Background

- 1.1. The Isle of Anglesey County Council announced a climate emergency in September 2020 and committed the Council to becoming a Carbon Neutral organisation by 2030.
- 1.2. In addition, a report was presented to the Executive on March 22nd, 2021. The report highlighted the need to respond to climate change whilst co-ordinating and programming its efforts as an organisation to achieve our aim in 2030.
- 1.3. The Executive approved the recommendation to develop a corporate Climate Change Programme, recruit a Climate Change Manager and appoint a member of the Executive as a ‘Climate Change Champion’.
- 1.4. The public sector in Wales has a target of achieving net zero carbon by 2030 i.e. to ensure that all greenhouse gas emissions are minimised as far as possible. The remaining emissions will be offset by actions to remove carbon from the atmosphere.
- 1.5. The Council is committed to providing local leadership on the Island and to act on a corporate level to deliver tangible changes in order to transition effectively into a net zero organisation. Although some decisions and actions are within the authority’s control, others will require support from Welsh Government and the UK Government as well as additional resources to co-ordinate, develop and deliver them.

A –Recommendation/s and reason/s

1.6. To achieve the objective, it is essential to have a clear plan, corporate approach, comprehensive baseline, robust monitoring arrangements and defined responsibilities to maximise and strengthen current work to transition to net zero carbon by 2030.

2. Success to date

2.1. As noted in the Towards Net Zero Plan (appendix A), the Council has recently succeeded in delivering a number of elements and making positive changes:

- The Energy Efficiency Strategy 2017-22 has achieved an 18% reduction in the Council's energy use
- The ReFit Scheme has seen the Council's largest investment (£2.4M) to reduce energy use by installing solar panels, LED lighting and upgrading heating systems in our assets
- The Council has started to convert its fleet to electrical vehicles
- Converting and adapting street lighting to use LED lamps and reducing energy use across the Island's road network
- A member of the Executive has been appointed Climate Change Champion
- Climate Change Manager appointed

3. Towards Net Zero Plan

3.1. The proposed Plan represents the first step on the Council's journey to transition into a net zero carbon organisation. As well as building on recent successes and co-ordinating schemes already in place, the Plan will implement new projects that will lead to a reduction in our carbon emissions.

3.2. The Plan's projects and interventions have been divided into 5 main programmes of action.

- Reducing Energy Consumption and Energy Efficiency – Reducing energy consumption and improving energy efficiency across our portfolio of assets
- Transport – Reducing the Council's emissions by developing low carbon transport options across Anglesey
- Land Use and Biodiversity – Reducing carbon emissions through positive carbon projects
- Organisational Adaptations – Reducing the Council's carbon emissions by adapting and changing the way it works
- Governance, Data, Monitoring and Reporting – Ensure that governance, management and data collection and accountability arrangements are in place to support the scheme's success.

3.3. To deliver the plan, an annual delivery plan, targets and a monitoring and reporting framework will be adopted. The next step will be to establish a full and detailed baseline, with data management systems.

3.4. The requirements in terms of finance and personnel to deliver the changes will be considerable over the period ahead. The Council will have to take advantage of any funding opportunities (grants and loans) available to progress schemes and programmes in future years.

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

Do Nothing - impossible to reach the objective of being a net zero carbon Council without establishing a plan to coordinate and drive the agenda forward.

Operating within existing procedures and capacity - unlikely to have the necessary impact and influence to achieve the net zero carbon objective by 2030.

C – Why is this a decision for the Executive?

The plan sets the strategic and operational direction for the Council to respond to climate change for the next 3 years and provides a foundation for action up to 2030.

Executive Committee approval is key before the proposed Plan is adopted by Full Council.

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

The Plan aligns with the Council's Strategic Plan (2017 - 2022), a climate change emergency announcement (September 2020) and a commitment to become a carbon neutral Council by 2030.

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

No provision has been made to fund the cost in existing budgets and the Executive will need to agree to release the funding from general or other surplus funds which are no longer required.

Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	Ensures there is corporate recognition and response to the challenges of climate change (starting a journey).
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Reducing greenhouse gas emissions (carbon emissions) is likely to require additional investment in a number of areas but will also bring additional benefits and cost savings in the long run.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	In preparing the proposed Plan, we have engaged with other Councils, as well as the Welsh Local Government Association and the Ambition Board.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The citizens of Anglesey have not been involved in drafting the content of this Plan. There will be an opportunity for the public to contribute through the engagement / consultation process of the priorities of the next Council Plan.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	No effects have been identified at this time.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	No predicted effects. Implementing the scheme could lead to employment / training opportunities for those who are socio-economically disadvantaged.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	There is no element of the proposed scheme that would have an impact on opportunities for people to use Welsh or treat Welsh less favorably than English

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Supportive
2	Finance / Section 151 (mandatory)	Comments noted within the proposed Net Zero Plan (page 22).
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	Any staffing issues arising from the recommendations should be dealt with

E – Who did you consult?		What did they say?
		in accordance with recognized consultation and other human resources processes.
5	Property	Supportive and have been a part of the process in establishing the document.
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	Supportive
9	Local Members	

F - Appendices:

Appendix A – Anglesey County Council - Towards Net Sero Plan 2022-25

Ff - Background papers (please contact the author of the Report for any further information):

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Isle of Anglesey County Council
Towards Net Zero Plan
2022 – 2025

Foreword

Climate change affects us all and the actions we take now will define the lives of future generations.

In September 2020, the Isle of Anglesey County Council declared a climate emergency, and committed to becoming a net zero carbon organisation over the next decade.

Achieving net zero carbon status by 2030 will certainly be a challenge. However, we can be achieve this target by working effectively with residents, staff, elected members and visitors to our Island.

We are already working pro-actively to meet our climate change commitment. Positive steps taken to date have included:

- Changing the way Council buildings are used and reduce carbon emissions across the whole organisation
- Upgrading our fleet to include more electric vehicles
- Ensuring that Council housing stock is as energy efficient as possible
- Taking carbon positive steps to plant trees and protect bio-diversity

This ambitious plan outlines the County Council's aims, programme areas and the actions required to become a net zero carbon organisation by 2030.

We will continue to work in partnership with Welsh Government and other partners across local communities to deliver this plan.



**Councillor Llinos Medi
Council Leader**



**Councillor Dafydd Rhys Thomas
Corporate Business Portfolio Holder
& Climate Change Champion**

Why do we need the Towards Net Zero Plan?

Climate change is the globally defining challenge of our time and for future generations. This includes Anglesey, its residents, visitors and communities.

Climate change affects us all – It goes beyond political differences and social boundaries. Its affects can already be seen amongst the most vulnerable members in communities across Wales and the world.

Carbon emissions released into the atmosphere have already led to an increase in global temperatures. Without a reduction in carbon emissions the Earth's temperature will continue to increase significantly. This will result in changes to weather climates across the world – including here on Anglesey (e.g. flooding and catastrophic storms).

To respond to the Climate Change challenge, the Isle of Anglesey County Council ('the Council') unanimously declared a climate emergency on the 8th of September 2020.

This saw the authority commit to become carbon neutral by 2030. As a result, tough decisions, choices, and compromises will need to be made to ensure this is achieved.

This Towards Net Zero Plan 2022 – 2025 will outline what immediate actions the Council will take as it continues the transition towards Net Zero.

This will require the Council to undergo significant modernisation and transformational change for example;

- how we work
- how we decide which goods and services we buy
- how we use our land, buildings, assets and technology
- how we use our transport,
- how services are delivered to our residents.

The Net Zero Plan will align with the Council Plan and other Council strategies.

Aim and Objectives

The aim of the Plan is to:

“Modernise and adapt to become a Net Zero Council by 2030”

This aim will be achieved by delivering the following objectives:

- 1. Reduce and decarbonise the energy use of the Council’s buildings and assets**
- 2. Continue to deliver Council services while reducing carbon emissions from our vehicles and working practices**
- 3. Enhance biodiversity and tree cover on the Council’s land and assets**
- 4. Facilitate the development of new low carbon energy generation**
- 5. Adapt the policies, processes, culture, values and behaviours (of Council staff and elected members)**
- 6. Understand the Council’s total carbon footprint, establish effective, efficient monitoring and reporting arrangements**

This Plan focuses on reducing the Council’s emissions. The Council also recognises it’s important local leadership role, collaborating with other organisations, businesses, the community and residents across the Island. As national, regional and local policies and laws are updated to respond to the climate emergency, the Council will consider and further adapt its approach. This can be by making necessary changes to the land use planning process, transport provision, education and care provision, recycling collections or other service areas.

Context

The Welsh Government is committed to make Wales carbon neutral by 2050 and the public sector (including local authorities) by 2030.

Together the;

- UK Climate Change Act (2008)
- Wellbeing of Future Generations (Wales) Act 2015
- Planning (Wales) Act 2015
- Environment Act (Wales) 2016

will provide the legal framework for action on climate change and sustainable management of Wales’ natural resources, with each underpinned by strategies and frameworks.

In July 2021, the Welsh Government published ‘Net zero carbon status by 2030 - a route map to decarbonise the Welsh public sector’.

Its vision identifies that ‘by 2030, choosing zero carbon will be routine, culturally embedded and self-regulating across the Welsh Public Sector’. This will influence and inform the Council’s approach, prioritisation, and transition journey.

In addition, the Net Zero Wales Carbon Budget 2 (2021-2025) identified a number of key local authority commitments for buildings, procurement, land use, mobility and transport. These include :

- ✓ All Council’s have live decarbonisation action plans in place, which will be reviewed regularly with lessons and best practice shared through the WLGA support programme, the first review by end of 2021.
- ✓ From 2021 onwards emissions will be monitored annually, using baseline data.
- ✓ Annual reviews will report progress and drive improvements

One of the Council’s main priorities (recognised in the Council Plan 2017-2022) is to “*Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment*”.

This has been progressed by “*becoming more energy efficient and decrease our carbon emissions by concentrating on Leisure Centres, Schools and street lighting*”.

Despite the significant progress made to date, the Council is committed to adopting an ambitious corporate approach during the 2022-2027 Council period, which will be influenced and informed by the carbon footprint baseline.

A new Council Plan will be adopted in autumn 2022 (post the local government elections in May 2022).



As the 2017-22 Plan draws to a close, a Transitional Plan 2022-2023 has been adopted. This will provide the Council with immediate direction as we recover from the Covid-19 pandemic.

Figure 1 outlines the Council’s strategic and financial planning framework. This Plan sits in the ‘Strategic Plans’ section which influences and informs all other decisions and activities.

Figure 1 - The Strategic and Financial Planning Framework

The Transition Journey

Taking the lead from the Welsh Government roadmap 'Journey to net zero' - carbon neutral status will be achieved by delivering 3 plans as outlined below in Figure 2.

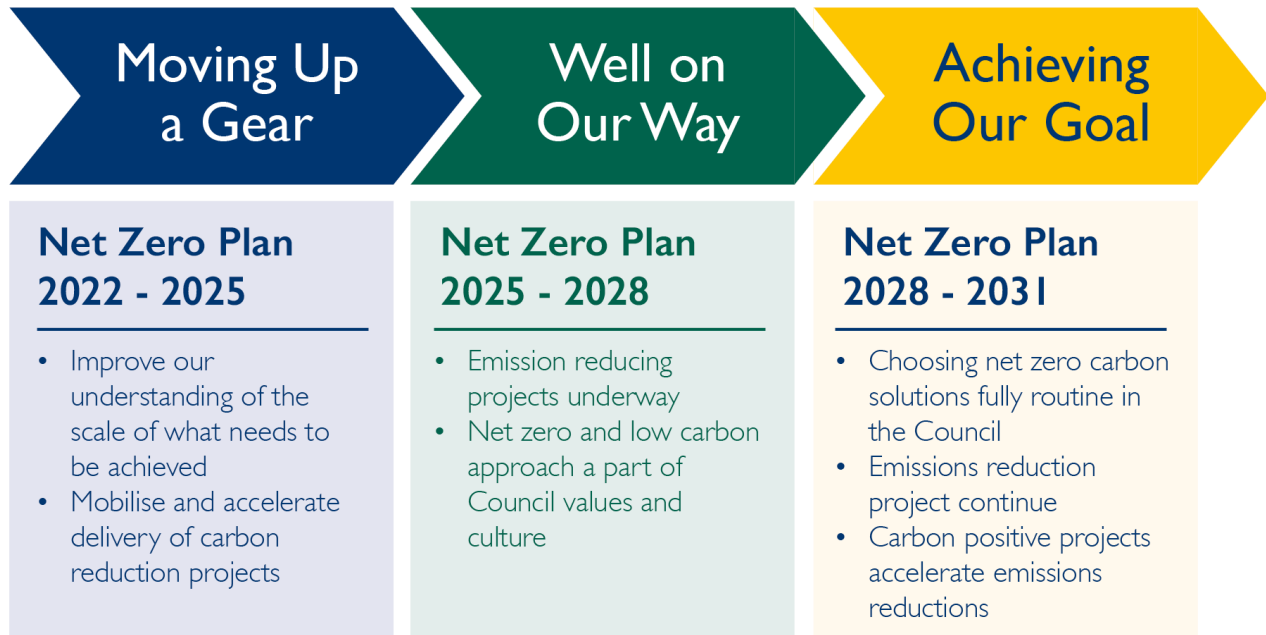


Figure 2 - Our net zero journey

By 2030, the Council will have achieved its aim of reaching net zero carbon status. This will mean all the green house gasses emitted will have been reduced to the lowest possible level, leaving only residual 'unavoidable' emissions. Any residual emissions released will be cancelled out by the carbon removed from the environment

In practical terms, the Council will need to:

- i. Make achieving Net Zero a routine part of day-to-day work within its workforce and elected members
- ii. Continue to improve and modernise Services whilst delivering low/no carbon emissions
- iii. Embed climate thinking into the Council's decisions and everyday activity
- iv. Minimise the carbon impact of the goods and services procured by the Council
- v. Ensure new houses and buildings built by the Council will (as a minimum) reach a carbon neutral standard
- vi. Reduce the size of the existing asset portfolio, modernising to improve performance and reduce its carbon impact
- vii. Upgrade the vehicle fleet and create a network of electric vehicle charging points
- viii. Utilise hybrid working (working from home and the office) and new technologies to reduce overall travel
- ix. Ensure offices and work locations are as energy efficient as possible and are powered by on site generation or supplied with green and sustainable energy sources.

- x. Continue to invest in the energy efficiency of Council houses and tenanted properties
- xi. Offset unavoidable emissions through a range of carbon capture measures
- xii. Utilise unused land to maximise biodiversity, increase tree cover, and capture carbon with the view to become carbon positive.
- xiii. Endeavour to ensure that wider strategic energy investments will generate local employment, as well as economic and community benefits

Carbon Reduction Achievements to date

The Plan will build on the success of existing Strategies and projects which have already contributed towards reducing the Council's carbon footprint - for example:

Energy Efficiency Strategy 2017 – 2022

- The Strategy aimed to reduce the Council's energy consumption 15% by 2022.
- It succeeded in reducing the Council's energy consumption by 18%. This was achieved through a combination of energy efficiency measures installed, improved building construction, effects of the Covid-19 pandemic and overall assets reduction.

Re: Fit Scheme

- This was the largest investment made by the Council to reduce energy consumption and carbon emissions.
- Invested over £2.4m on projects such as; installing new solar panels, LED lighting and upgrading/replacing heating and ventilations in our leisure centres.
- The scheme is expected to reduce energy consumption by 3,875,107kWh and carbon emissions by 958.18tCO₂e. (Note: This reduction is expected to be achieved by the end of 2022).

Other:

- New Schools and Social Housing with better energy performance
- Road lighting across Anglesey has been modified to use energy efficient LED lighting. Having achieved almost complete conversion to LEDs, the carbon emissions across the road lighting network on Anglesey have reduced by 81% from 2014/15 to 2020/21.
- The transition of Council vehicles to electric vehicles.

Delivery of these projects have led to an overall reduction in the Council's emissions of 2,180 tCO₂e between 2017 and 2021

Measuring our Carbon Emissions

Understanding the Council's carbon footprint is critical. A comprehensive baseline will ensure our journey to be net-zero is driven by evidence and informs how we prioritise our actions.

Once there is an established baseline, an effective corporate monitoring framework, dashboard and full understanding of where our emissions come from, targets can then be set with an agreed plan to deliver on carbon reductions.

The Council's emissions baseline will be calculated according to the World Resources Institute (WRI) Green House Gas Protocol (GHG) which categorises emissions sources into 3 scopes.

Scope 1 – Direct GHG emissions from the consumption of fuel within the Council operations e.g. our buildings and operated fleet

Scope 2 – Indirect GHS from consuming purchased heat, electricity or steam

Scope 3 – Indirect emissions such as the goods and services we buy, transportation, investments, leased assets and other.

Figure 3 below from WRI outlining the GHG scopes and what may be included.

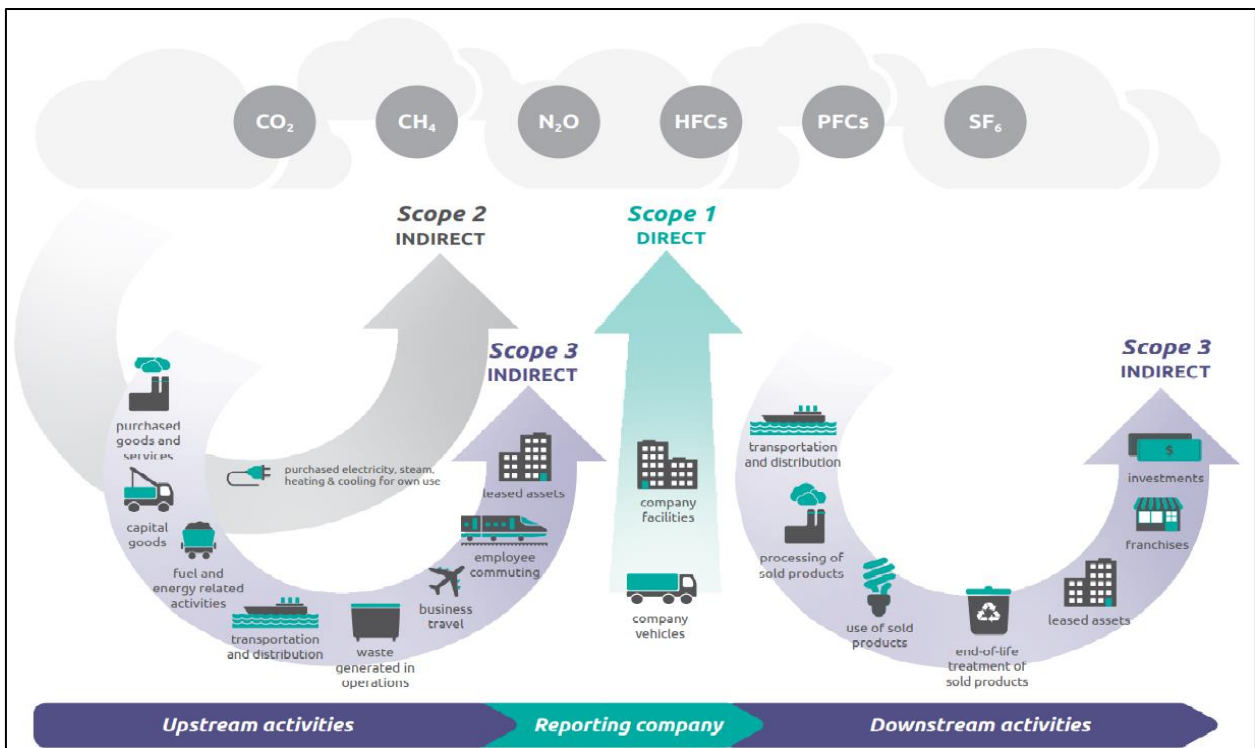


Figure 3 - World Resource Institute - Green House Gases Baseline Breakdown

The data management programme area will lead on work to develop improved analysis and data collection across the Authority. It will assist decision making within services and show the impact that reducing carbon emissions has on the County Council's baseline.

Welsh Government have begun to collect baseline data from all Council's in Wales. Progress will be monitored over time to ensure the Council remains on track to achieve the net zero target by 2030.

The Council already collects data that provides energy usage across its assets portfolio. This allows the Council to monitor usage and where necessary, measure the effectiveness of energy reduction projects. Data from building, energy and fleet usage data shall be used to calculate the emissions for Scope 1 and 2 of the Council's baseline.

Scope 3 emissions come from a range of sources outlined in Figure 3 e.g. social housing stock condition data, employee commuting, business travel, goods and services procured. Where necessary the Council shall use Welsh Government 'Net Zero Carbon Reporting Guide' to use a spend based approach to estimate supply chain emissions.

Energy Island Programme

In addition to the Council's net zero commitment as an organisation, the Energy Island Programme (EIP) will also make a considerable impact locally and beyond. The EIP is a collaborative approach to put Anglesey at the forefront of low carbon energy research, development and generation.

The vision is to:

"be an exemplar in the transition to a prosperous and resilient low carbon economy, providing high quality jobs, education and supply chain opportunities, whilst protecting and enhancing the natural environment and enabling the Welsh Language and culture to thrive in vibrant communities."

The Council aims to ensure maximum benefit is delivered from all proposed energy generation projects across the Island to:

- 1: 'Encourage growth in new technology, research and development, and innovation'**
- 2: 'Create local jobs, building skills, thriving businesses'**
- 3: 'Support resilient and cohesive communities'**
- 4: 'Ensure responsible, pioneering, and timely climate action'**
- 5: 'Ensure a balanced environment'**

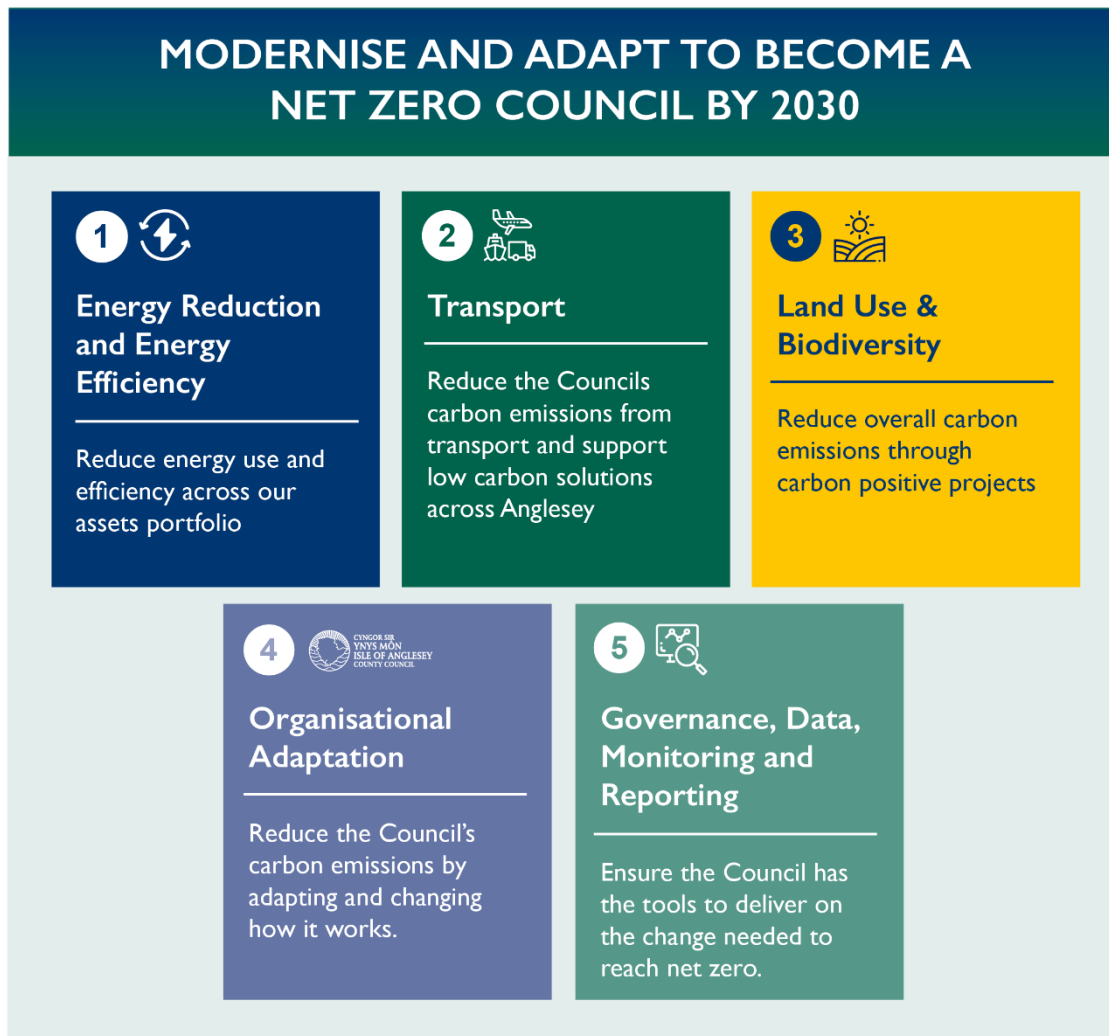
By supporting the low carbon energy transition across the Island, to maximise local jobs, benefits and supply chain opportunities, the Programme shall

- ❖ Influence the scale and location of potential energy developments.
- ❖ Enable the Council to undertake its statutory consenting responsibilities effectively.
- ❖ Demonstrate that Anglesey is at the forefront of low carbon development.
- ❖ Facilitate knowledge sharing between business, academics and other key partners.
- ❖ Projects to pioneer new energy technologies to address the energy 'trilemma'.
- ❖ Ensure the development, construction and operation of energy projects contribute to the well-being of the Island and its communities.

The delivery of the Energy Island Programme may not directly have an impact on the Council's carbon emissions, but its outcomes should support the Council's efforts in transitioning to a net zero organisation.

Programme Areas

This Towards Net Zero Plan will be divided into specific programme areas to deliver on projects and interventions:



Becoming a Net Zero Council by 2030 will be dependent on:

- decisive leadership
- prioritisation
- tough decision making
- capability and resources (e.g. finance, officer time and organisational capacity)

By using established programme and project management practices we will ensure that the actions identified within this plan are delivered.

There are already considerable external funding (grants and loans) opportunities to implement and deliver actions which responds to climate change and enables decarbonisation.

The Council must be ambitious, resourceful, and proactive at both corporate and service level to take full advantage of the opportunities available to secure additional resources.

Energy Reduction and Energy Efficiency

Why is this important

The County Council has a broad and diverse portfolio of buildings and assets which include;

- offices
- depots
- schools
- leisure centres
- business units
- social housing across the Island.

The portfolio ranges from new and energy efficient buildings to old and inefficient ones with considerable carbon emissions associated with their operation, particularly through heating.

Energy is one of the Council's largest controllable emissions with numerous opportunities to make savings. Reducing energy consumption and improving efficiency of its use can decrease carbon emissions (scope 1 & 2) resulting in financial savings and sustainable delivery of services.

This programme area will deliver further improvements to the energy performance (reduction and efficiency) of the Council's buildings and assets to ensure energy usage is reduced and decarbonised.

The Council face a challenge of addressing the energy efficiency of its social housing stock counted as Scope 3 – leased assets emissions.

As the landlord, the Council does not have control over how energy and heating is used by tenants. However, we do have obligation to ensure our housing are as energy efficient as possible.

Retrofitting our social housing stock to improve energy efficiency will lead to a reduction in carbon emissions as well as improved financial, health and wellbeing outcomes for our tenants.

In addition to addressing the energy efficiency of current assets, all new developments will be built to at least carbon neutral standards.

What we are going to do

- ❖ Ensure the climate impact of the Council's asset portfolio is fully understood
- ❖ Develop plans to decarbonise the built estate to become carbon neutral.
- ❖ Ensure (as a minimum) that all new buildings built by the Council reach carbon neutral standards
- ❖ Develop a comprehensive baseline position for the Council's housing stock, ensuring comprehensive detail of emissions to inform future decision making
- ❖ Deliver retrofitting schemes to improve the energy efficiency and decarbonise the housing stock.

What will be the impact on our carbon emissions?

By reducing energy consumption and improving energy efficiency across our asset portfolio carbon emissions will be further reduced.

Linking with the established baseline, actions identified within this programme area will impact on the Council's overall emissions quantified and included within the monitoring framework that supports the Net Zero Plan.

Transport

Why is this important

The Council has 190 fleet vehicles, ranging from small cars to large vans and minibuses - Most of which run on fossil fuels such as diesel and LPG (with the exception of 13 electrical vehicles).

The Welsh Government has stated, where practically possible, that all new cars and light goods vehicles in the public sector need to be carbon neutral from 2025 and all heavy goods vehicles from 2030.

Emissions from vehicles are classified as scope 1, thus making it a priority to significantly reduce overall emissions. This will be achieved by investing to further transition the fleet from fossil fuel to ultra-low carbon vehicles (e.g. hydrogen or electric).

As electric vehicles become more frequently used by the Council and the general public, investment in the charging infrastructure will be key to ensure that the use of these vehicles are sustainable.

Carbon emissions from transport also comes from staff commuting and community transport (counted within scope 3) can be challenging to reduce. Responding to the Covid-19 pandemic has shown that alternative working arrangements such as working from home or hybrid working can be utilised to help reduce carbon emissions.

Development of active travel solutions and investment to promote them within our town centres and communities will be key in developing sustainable travel across Anglesey.

As an adopter of new technologies to reduce its carbon emissions, the Council also has a role as a leader within the community to show how its services can change to deliver low/no carbon.

What are we going to do

- ❖ Reduce the overall need to travel by embracing a virtual and hybrid working model (where possible)
- ❖ Support the development of alternative and innovative ways of working and travel (e.g. develop and improve accessibility of public transport and community EV solutions.
- ❖ Promote greater use of active travel across the Islands communities to reduce emissions from commuting and travelling
- ❖ Invest in town centres to facilitate all modes of sustainable travel to remove emissions from commuting and travelling.
- ❖ Carry out plans to further transition our fleet from fossil fuel to low / no carbon alternatives
- ❖ Support transition to electric vehicles by developing new car charging infrastructure across Anglesey

What will be the impact on our carbon emissions?

Reducing overall travel and the emissions from Council vehicles will lead to a reduction in our scope 1 emissions (this will be a one of the Council's main priorities to deliver).

Linking with the established baseline, actions identified within this programme area will impact on Council's overall emissions included within the monitoring framework that supports the Net Zero Plan.

Land Use & Biodiversity

Why is this important

The Council holds a varied portfolio of land including:

- agricultural holdings
- refuse tips
- grazing land
- small areas of land (around offices, buildings, and schools).

How the land is used will determine whether it contributes to decarbonisation or increases our emissions.

Developing our land use, management plan and policies for increasing carbon capture will be key to support the goal of reaching carbon neutral status.

The Plan will seek to support the Council's Biodiversity Plan to ensure all possible actions are taken to enhance biodiversity and the natural environment across Anglesey. It will also mitigate the effects of climate change over the long term.

Additionally, the Plan will seek to extend tree coverage across Anglesey to enhance the carbon sink potential. It will be important to ensure sustainable delivery of tree planting and woodlands schemes to ensure they're suitable for the local habitat.

This programme area will remove emissions from the atmosphere by locking up carbon through carbon capture methods.

Furthermore, the Council will support communities across the Island to respond to the climate emergency (e.g via the place shaping agenda and green infrastructure).

Where necessary, the Council will work to deliver targeted projects to mitigate the effects of climate change by improving flood defence measures across Anglesey

What are we going to do

- ❖ Enhance variety of biodiversity on Council land
- ❖ Develop and deliver a plan to enhance and increase tree cover on Council land
- ❖ Adopt and implement a new Area of Outstanding Natural Beauty management plan which is aligned within the Council's net zero aim and objectives
- ❖ Adopt and implement a new Destination Management Plan that aligns the behaviours and infrastructure outlined in the Council's net zero aim and objectives
- ❖ Support the development of new green public infrastructure in town centres and popular coastal locations
- ❖ Encourage our communities to respond to the climate emergency through the Place Shaping agenda.
- ❖ Develop and implement projects to improve flood defence measures

What will be the impact on our carbon emissions

The delivery of the land use and biodiversity programme will lead to a reduction in our overall carbon emissions through carbon positive projects (e.g. enhancing biodiversity and increasing tree cover).

Organisation Adaptation

Why is this important

Working to reduce the Council's carbon emissions from its buildings and fleet alone will not be enough to achieve net zero carbon status.

The Council will need to adapt and change how it works to achieve the maximum reduction in our carbon emissions. This must be achieved without negatively effecting its activities or services.

The Council must see modernisation and change as an opportunity while working collaboratively across the Council, local communities, regional partners, Welsh Local Government Association and Welsh Government.

Organisation Adaptation will focus on changing the culture, values and working practices. It will be a long term process that will require leadership, commitment and effort.

Some changes may be delivered quickly, for example;

- embedding low carbon priorities within the procurement process
- engaging with suppliers and partners to begin their transition to net zero.

Responding and adapting rapidly to the Covid-19 pandemic has shown that change is possible. The Towards Net Zero Plan will seek to use the lessons learned from that response to assist in facilitating the change needed within the organisation.

What are we going to do

- ❖ Deliver a communications plan to influence and raise awareness within the Council of why and how small changes lead to big impacts.
- ❖ Undertake a carbon literacy and associated training programme.
- ❖ Engage with schools to facilitate climate change education, awareness and encourage action where possible
- ❖ Enabling virtual and hybrid working to be effectively embedded into the organisational culture.
- ❖ Promote, celebrate, and recognise progress, achievements, and good practice.
- ❖ Collaborate and learn from partners and stakeholders.
- ❖ Review and update formal internal policies, processes and practices to ensure changes and decisions at all levels consider the impact it has on the Council's aim to be net zero.
- ❖ Review and update procurement policies and processes (including monitoring and reporting arrangements).

What will be the impact on our carbon emissions?

Organisational adaptation will contribute both directly and indirectly towards reducing overall carbon emissions. Some actions will have an indirect impact on emissions by facilitating or encouraging action on climate change (e.g. communications, raising awareness, policy and integrating Net Zero into day to day activities).

Other actions can have a positive effect in reducing both direct and our supply chain emissions – for example;

- carbon literacy training
- development of hybrid working
- developing an understanding on how we procure goods and services can have a positive effect

The impact of the actions within this programme area will be measured against the Council's overall emissions and included within the monitoring framework supporting the Net Zero Plan.

Governance, Data, Monitoring and Reporting

Why is this important

Successful delivery of the Towards Net Zero Plan will require the combined effort of officers across all the Council and its elected members.

Effective programme and project management arrangements will be essential to facilitate the delivery of the Plan. They will ensure the interventions identified within each programme area are delivered within the agreed milestones and resources available.

Reaching the overall aim of becoming a net zero council by 2030 will also depend on:

- effective and efficient data management
- data monitoring and reporting (to demonstrate progress and identify areas for further development)

Ensuring we have a robust and effective data management system in place will enable the Council to identify which emissions need to be prioritised and where resources need to be deployed to have the greatest impact.

Developing data management systems will improve the accuracy and resolution of the Council's carbon emissions baseline and will assist to monitor emission reductions delivered by this plan.

Welsh Government have begun to request baseline data from all Council's in Wales with the view building an annual baseline of the public sector. Current data collected for Welsh Government includes emissions for 2019/20 and 2020/21.

Scope 1 and 2 emissions will be counted as operational and land use data with scope 3 from Supply chain emissions. Therefore it's critical that progress in data management systems is made.

Additionally, robust arrangements will be required to report on progress made in programme areas, to ensure risks are managed and opportunities for added value are identified and utilised.

Each programme area will be led by a senior responsible owner; the projects and interventions in each work stream will contribute towards our overall aim of becoming a net zero Council.

A Programme Board will be established to provide strategic support and oversight of the Towards Net Zero plan as detailed below.

What are we going to do

- ❖ Ensure the plan is embedded into existing corporate and service delivery, management, performance and reporting arrangements
- ❖ Establish a Programme Board
- ❖ Integrate actions into respective Service Delivery Plans
- ❖ Ensure officers and elected members have access to real time data on progress and change.
- ❖ Create a robust and comprehensive carbon baseline that is updated quarterly.
- ❖ Develop data management systems to enable monitoring and reporting.
- ❖ Establish annual targets with automated reporting systems and data dashboards.

- ❖ Develop a comprehensive baseline of carbon emissions for leased assets (e.g. social housing and small holding stock).
- ❖ Ensure every Council Service is aware of their carbon emission position and consider how to improve as part of regular management processes.

What will be the impact on our carbon emissions?

Improving Data Management will not have a direct effect on the carbon emissions baseline. However, it will lead to improving our understanding of the Council's overall emissions to enable effective prioritisation and decision making, whilst enabling regular reporting and monitoring of progress.

Financial Aspect of Climate Change

Implementing the climate change strategy will impact both on the Council's revenue budget and capital budget.

Currently the revenue budget includes provision to meet the cost of employing the Climate Change Manager and includes a sum of £50k to cover other revenue costs in respect of implementing the strategy. It is unlikely that, as the strategy is implemented £50k will be sufficient and further revenue resources will be required.

However, the main expenditure will be capital projects. Currently the capital funding received from Welsh Government through the Local Government settlement provides £3.6m in 2022/23, which is not sufficient to meet the investment required to maintain the Council's existing assets, let alone invest in implementing the Towards Net Zero Plan. There is some scope to undertake external borrowing to fund projects but this has to be done in accordance of the requirements of the Prudential Code for Capital Finance in Local Authorities, which requires the Council to ensure that funding borrowing is affordable and does not place an unreasonable funding strain in future years. Projects that can generate revenue cost savings or allow the Council to avoid future costs could be funded from external borrowing.

In the 2022/23 capital budget, £200k has been included to undertake "green" projects in coastal areas, which is funded from an earmarked reserve. After this investment the balance of the earmarked reserve only amounts to £300k.

In order to implement capital projects on the scale required, external funding from the UK and Welsh Governments will be required and it remains to be seen whether these will be 100% grants or will require an element of match funding from the Council. Whatever the level of funding will be, the Council will need to be ready with costed and viable projects to take advantage of funding opportunities that arise. It is likely that some or all of the grant funding will be on a competitive basis, with both Governments seeking to fund projects that give the maximum return towards achieving their climate change objectives. Being in a position to have viable projects will require additional revenue funding to create the required capacity.

Decarbonising the Council's Housing stock will also play an important role in achieving the objectives of the Towards Net Zero Plan. Retro-fitting 3,800 houses to reduce their carbon footprint is estimated to cost £60M. The Council's Housing Revenue Account Business Plan will be updated to take account of this additional investment requirement and will be funded from the HRAs own resources and from external borrowing. Investment in new properties will take account of the requirements of this strategy when developments are designed, but again this will come with an additional cost which has to be funded by the HRA.

Isle of Anglesey County Council	
Report to:	County Council
Date:	10 March, 2022
Subject:	Responding to the local housing challenge Housing Strategy 2022-27
Portfolio Holder(s):	Cyng A Mummery
Head of Service / Director:	Ned Michael
Report Author: Tel: E-mail:	Elliw Llyr, Housing Policy, Commissioning and Strategy Manager 01248752137 ElliwLlyr@ynysmon.gov.uk
Local Members:	

A –Recommendation/s and reason/s
<p>R1 The County Council is asked to approve the Housing Strategy 2022-2027</p> <p>1. Background</p> <p>a) Role of the Strategy</p> <p>The Council has a statutory responsibility to assess housing need and lead on partnership working to secure housing of quality which meets the needs of its citizens now and in the future.</p> <p>The Housing Strategy is the Council's vision for how housing for the people of Anglesey could be improved over a five year period and includes the priorities for achieving that. The Strategy will ensure a shared understanding of the housing issues on the Island, the issues that need to be addressed and the main outcomes the Council wants to achieve.</p> <p>b) Current Position</p> <p>The Interim Housing Strategy 2021 recognises the changes we have faced during the year by prioritising what needed to happen and provided information on how Housing Services and its partners are responding to and continuing to respond to the coronavirus pandemic.</p> <p>It also provided a bridge to the development of a Housing Strategy which will include the requirements of the Housing Support Grant Programme Strategy 2022-26.</p>

A –Recommendation/s and reason/s

2. Key Objectives

The priorities of the Strategy are:

- Theme 1 – Development of the right homes for Anglesey's future
- Theme 2 – Making best use of existing housing stock and improving homes and communities
- Theme 3 – Preventing housing crisis and increasing housing options
- Theme 4 – Support to promote housing independence
- Theme 5 – Homes for longer lives
- Theme 6 – Housing is a contributor to the local economy

3. Consultation

The Strategy was placed on the Council's website for consultation for comments during a 6 week period ending 20 December, 2021. 25 responses were received through the consultation questions, with responses received from a variety of stakeholders. The majority of respondents were members of the public living on Anglesey.

The consultation asked:

- Has the Housing Strategy 2022-27 identified the most important issues and priorities that need to be addressed by Isle of Anglesey County Council during the period of the Strategy?
- Are there any other issues that need to be addressed by Isle of Anglesey County Council?
- Do you agree with the short, medium and long term actions which have been identified in response to the six main themes of the Strategy?
- Any further comments in relation to the Housing Strategy 2022-27?

With the majority, 60%, agreeing that the Strategy has identified the most important issues and priorities with comments taken from the 9 who did not agree the revised version of the Strategy incorporates further detail / clarification on comments which were relevant to this Strategy.

5 respondents included comments on the short, medium and long term actions that were identified and have been incorporated, where applicable, within the revised version.

A Housing Needs Survey was also issued at the same time as the consultation; the purpose of this questionnaire was to gather views from people who are looking for a home on Anglesey. 66 responses were received with 57 respondents currently looking for a home on the Island. 69% of the respondents were looking to purchase a home.

Many, 21, were renting privately with 23 looking for a first home and 16 needing a larger home. 44 were looking to purchase and 37 looking to purchase on the open market with 14 showing an interest in social rent. Information from this survey has been utilised for the development of a Shared Equity Policy and will feed into our work on completing the Local Housing Market Assessment during the next year.

A –Recommendation/s and reason/s

4. 2022-27 Housing Strategy Communication Plan

The aim of the Communication Plan was to maximise the opportunities for feedback from various stakeholders and is summarised below:

A presentation on the draft Strategy was provided at the following meetings:

14 th May 2021	Social Housing Grant Meeting
24 th May 2021	Quarterly Registered Social Landlord Meeting
24 th May 2021	Mental Health Pathway Panel
22 nd June 2021	Anglesey Private Landlord Forum
30 th June 2021	HSG Provider Forum
29 th September 2021	Town and Community Councils Liaison Forum
7 th October 2021	Members Monthly Briefing Session
8 th October 2021	Anglesey Housing Partnership
29 th November 2021	Menter Mon Housing Workshop
14 th December 2021	Housing Services Staff Information Session

The consultation was published on the Council's corporate website, with a link to complete the consultation questionnaire on 'Smart Survey'. The consultation was promoted through the following methods:

- Corporate social media
- Y Ddolen (weekly staff newsletter)
- Monthly housing staff email
- Press release (1st December – more quality council housing on the way)
- Medrwn Mon's social media pages
- Banner on corporate webpage

The questionnaire was promoted regularly to members of the public through the Council's social media platforms, throughout the 6 week consultation period.

The consultation was included in Anglesey Council's weekly staff newsletter (Medra Môn).

A link to the online questionnaire was sent to:

- Local Members
- Town and Community Councils
- HSG Providers
- Anglesey Housing Partnership (includes Housing Associations, BCUHB, JPPSU, NWP, NRLA)
- Age Cymru
- Medrwn Mon
- Menter Mon
- Shelter Cymru
- Care and Repair

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

Not publishing a Housing Strategy is not an option, as it is integral to the work of Housing Services and its key Housing Partners on the Island.

C – Why is this a decision for the Executive?

In order to receive approval of the objectives and activity on the Island.

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

yes

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

yes

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	The Strategy sets out work themes to respond to housing needs on the Island
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	18 per cent of homes in Wales pose an unacceptable risk to health, and poor housing costs Welsh society over £1bn a year. There is strong evidence that poor housing is associated with poor physical and mental health (PHW). The above evidence shows how poor homes can have an impact on individuals which in turn means higher intervention by organisations including the Authority
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Each priority theme means that the vision must be delivered by key partners within Housing. It includes Housing Associations, Support Providers, Third Sector and other Council Services and externally
4	Have Anglesey citizens played a part in drafting this way forward,	See above for summary of the consultation process

Dd – Assessing the potential impact (if relevant):		
	including those directly affected by the decision? Please explain how.	
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The Impact Assessment shows a positive impact
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The Impact Assessment takes into account those who may be vulnerable
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No negative impact identified within the impact assessment

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Supportive of recommendation
2	Finance / Section 151 (mandatory)	Supportive of recommendation
3	Legal / Monitoring Officer (mandatory)	Supportive of recommendation
4	Human Resources (HR)	n/a
5	Property	n/a
6	Information Communication Technology (ICT)	n/a
7	Procurement	n/a
8	Scrutiny	During the Committee held 17.1.22 it was recommend that approval should be given by the Executive at its meeting 14.2.22
9	Local Members	

F - Appendices:
Housing Strategy 2022-27

Ff - Background papers (please contact the author of the Report for any further information):



Canada Gardens, Holyhead (North Wales Housing)



Stad Marcwis, Rhosybol (Isle of Anglesey County Council)



Ynys Môn

THE ISLE OF

Anglesey

ANGLESEY'S HOUSING STRATEGY 2022-27



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

www.anglesey.gov.uk

Anglesey's Housing Strategy 2022-27



Canada Gardens, Holyhead (North Wales Housing)

I. Aim of the Strategy

- Identify the 6 key themes of the Strategy
- Provide an overview of the issues that are facing households on the Island
- How the Strategy is going to deal or contribute to in dealing with these issues
- What needs to be done within the short, medium and long term course of the Strategy's cycle
- Assist in informing a Statement of Need which will be developed

The overall strategic aim of the Strategy is:

To ensure that the people of Anglesey have a place to call home, are empowered and supported to contribute to their local community

2. Who is the Strategy for?

This Strategy will be relevant to many people on Anglesey as it will provide access to affordable housing, which will include many different tenures, accommodation and assistance to vulnerable and specific clients groups, young people who wish to purchase their own home, people who require adaptations due to ill-health and people who are at crisis points and require immediate housing.



A HOME IS MORE THAN JUST A ROOF OVER YOUR HEAD



“The support is very important and helped me through a period of homelessness and continues to support me in maintaining an independent life in my new home”

WHAT MATTERS?



A number of private tenants are struggling to afford food or heat the house



Lack of affordable homes for local people to buy



Increase in second homes owners and holiday let market



62% of local people are priced out of the housing market



Possible increase of 70% of people living over 85 on the island in the next 10 years

WHAT ARE WE GOING TO DO?



Develop the right kind of housing type in the right area with the right provisions for example



Extra Care



Empty Homes back into use



Energy Efficient New Homes



Rapid Rehousing Homes



Work in partnership with support providers and key stakeholders to deliver on the Strategy Commission and deliver Housing Support Services as an early intervention and help prevent homelessness



3. How are we going to achieve this?

By concentrating on 6 key themes:-

- Theme 1 – Development of the right homes for Anglesey's future
- Theme 2 – Making best use of existing housing stock and improving homes and communities
- Theme 3 – Preventing housing crisis and increasing housing options
- Theme 4 – Support to promote housing independence
- Theme 5 – Homes for longer lives
- Theme 6 – Housing is a contributor to the local economy

These 6 key themes will provide a basis for identifying what the issues are and how the Strategy intends to address these issues in the short term of 1 to 2 years, medium term to long term over the course of the Strategy.

Housing achievements will be updated on a yearly basis to show progress made and provide a narrative on any emerging issues that need to be included within the Strategy over the course of the next 5 years.

4. National and local context

The [Council's Plan](#) provides a framework for all services to work and has housing as a prominent enabler of achieving this. This document also provides a framework for services to work together to achieve a common goal. This Plan will be reviewed for the next period 2022 onwards.

Below this document are many Strategies which feed into and facilitate achieving the above Plan.

Joint Local Development Plan Gwynedd and Môn 2011-26

The Joint Local Development Plan for Gwynedd and Mon was adopted in July 2017. This is a development strategy for a period of 15 years for the land use which focuses on sustainable development. This document steers the development of new housing on the Island, as well as other uses. This Plan is currently under review.

Ynys Môn's Welsh Language Promotion Strategy

The vision for the [Welsh Language Promotion Strategy](#) is that:

- Residents able to afford to live and set up homes in their local communities
- A shared sense of involvement and pride amongst residents in our vibrant, truly bilingual community
- The Welsh language prioritised in local economic development, housing and planning schemes

This Housing Strategy has a key role in achieving the above.

National Policies:

Welfare Reform

As has been widely publicised that Welfare Reform has introduced some of the most fundamental changes and effects since the Welfare System was introduced in 1946. Welfare Reform came into effect on Ynys Môn in late 2018 on a phased approach. A Welfare Reform Hub was established with key Council Services and agencies with the aim of providing appropriate responses and mitigation and has done so by:

- Developing responses to the immediate consequences of Universal Credit
- Consider the longer term implications for both citizens and services of the Isle of Anglesey including, where appropriate, a wide variety of scenarios
- Improve local understanding of how Universal Credit will impact on both statutory and non-statutory services
- Engage and update key partners as necessary via established partnership mechanisms and identify and improve areas where this framework does not exist or is failing to deliver an appropriate response
- Produce and maintain an action plan with a series of recommendations at the Hubs' conclusion

In July 2020 an Initial Assessment of the possible effects on the increase of people claiming Universal Credit on IOACC services and budgets was commissioned. This report highlighted the increase in number of out of work claimants in a very short period during Covid and that this disproportionately affects young people and males. The report also highlighted the social effects of increase in unemployment which includes mental health issues, domestic abuse and isolation.



Well Being of Future Generation Act

The Future Generations Commissioner describes housing as the cornerstone of the wellbeing of individuals, families and communities.

The Well-being of Future Generations Act gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being and requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

The Well-Being of Future Generations (Wales) Act 2015, places a duty on public bodies to seek to achieve the well-being goals and objectives in everything they do.

Housing Support Grant

The Welsh Government Housing Support Grant (HSG) came in to effect in April 2020 and has replaced the previous Supporting People Programme. The HSG is an amalgamation of three existing grants; Supporting People Programme, Homelessness Prevention Grant and Rent Smart Wales Enforcement.

The HSG is an early intervention grant programme to support activity, which prevents people from becoming homeless, stabilises their housing situation, or helps potentially homeless people to find and keep accommodation. The HSG does not fund the statutory duty on local authorities to prevent homelessness, instead HSG funded services augment, complement and support the statutory service to ensure that the overall offer authorities provide helps people into the right homes with the right support to succeed. It supports vulnerable people to address the, sometimes multiple, problems they face, such as debt, employment, tenancy management, substance misuse, violence against women, domestic abuse and sexual violence, and mental health issues. Support is person centred, aimed at supporting people to secure and maintain sustainable housing by addressing the mental health and/or substance misuse problems they face, helping to improve their health and well-being and/or helping them progress into, or nearer to, a job or training opportunity based on their specific circumstances.

Housing related support provides a raft of services to enable vulnerable people to maintain their tenancies / households and or live independently within the homes and communities of their choice, for as long as possible.

Decarbonisation

The Environment (Wales) act 2016 places a duty on Governments to reduce carbon emissions, in Wales this is set to be at least 80% by 2050. The report commissioned in 2019 Better Homes, Better Wales, Better World July, 2019 gives 7 recommendations for WG to lead on which states that

‘Wales has some of the oldest and least thermally efficient housing stock in the UK and Europe. 32% of the Welsh housing stock was built before 1919, when there were no construction standards in terms of thermal performance. Just 10% of Welsh homes were built in the last 18 years, during which time energy performance requirements have changed dramatically.’

Page 191 Welsh Government’s recent Plan “Prosperity for All: A Low Carbon Wales” has a whole chapter on buildings based on all tenures and that residential buildings is the highest emissions sources as a Welsh total.

The Council have previously declared a climate emergency and our work within this arena will form part of the decarbonisation.

Re-imagining social building in Wales Modern Methods of Construction Strategy for Social Housing, February 2020

A Strategy which set outs the expectations relating to the production of homes built using Modern Methods of Construction which encourages complimenting traditional construction methods with new technologies and approaches.

Hen Ysgol Llaingoch, Holyhead (Isle of Anglesey County Council)



Strategy for Preventing and Ending Homelessness October, 2019

States clearly that homelessness cannot be prevented through housing alone. Homelessness is where a person lacks accommodation or where their tenure is not secure. Rough sleeping is the most visible and acute end of the homelessness spectrum, but homelessness includes anyone who has no accommodation, cannot gain access to their accommodation or where it is not reasonable for them to continue to occupy accommodation. This would include overcrowding, 'sofa surfing', victims of abuse and many more scenarios. A person is also homeless if their accommodation is a moveable structure and there is no place where it can be placed. Homelessness, or the risk of it, can have a devastating effect on individuals and families. It affects people's physical and mental health and well-being, and children's development and education, and risks individuals falling into a downward spiral toward the more acute forms of homelessness.

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Regional Homelessness Strategy

A Regional Strategy was adopted by North Wales Local Authorities with the aim of Reducing Homelessness across North Wales under the headings of People, Homes and Services which identified common themes to each Local Authority within their individual reviews.

A regional and a local action would then incorporate the key issues and actions required. The Action Plan for 2020-21 was our response to the Coronavirus pandemic.

Renting Homes (Wales) Act 2016

This Act aims to make it simpler to rent a home and protect tenants' rights. In general, the Act replaces all current tenancies and licences with just two types of occupation contract; secure or standard. At present it is anticipated that all new and existing tenancy agreements will need to be re-issued. The Act also creates new rights for victims of domestic abuse, for people in shared houses and for tenants needing repairs to be carried out.

Welsh Government Race Equality Action Plan

Welsh Government has acknowledged that urgent action is needed in promoting a vision for Wales where everyone is treated as an equal citizen and as a Council we have contributed to the consultation document which will lead to the implementation of a Race Equality Action Plan. Our Housing Strategy will promote the overall aim of 'ensuring that all members of our Society are able to live in decent and affordable homes which meet the diversity of people's needs'.

Housing Revenue Account Business Plan

As one of the remaining stock retaining Councils there is a requirement on the Council to produce and update their HRA Business Plan on a yearly basis, this provides an annual report on our activities as well as an overview of our partner's new developments.

North Wales Population Assessment

The North Wales Population Assessment is a review of the care and support needs of the population in North Wales, including the support needs of carers. It was produced by the six North Wales Councils and Betsi Cadwaladr University Health Board (BCUHB) supported by Public Health Wales, to meet the requirements of the Social Services and Wellbeing Act (Wales) 2014 (the act).

Affordability

The Private Rented Sector on Ynys Môn is not a particularly affordable market with proportions of properties within LHA levels. Buying a home remains outside the range of many first-time buyers due to high property prices relative to local incomes and the deposits needed.

This, and the lack of available suitable social housing, has seen many of these households turn to the rental market. About 22% of the total population of Ynys Môn receive either HB or council tax support with 59.9% of these households of working age and subject to the whole range of welfare reforms.

The report showed that 74.4% of these households are charged rent higher than their relevant LHA rate applied for Housing Benefit. Their average reported difference between rent and Housing Benefit is £25.74 per week. The majority of households (79.3%) affected by the LHA cap in Isle of Anglesey are of working-age.

A report by Policy into Practice, 2017, into the Private Rented Sector shows us that landlords charge between 10% and 20% above LHA levels knowing that households will find the additional rent. Affordability appears to be an issue especially for households on lower incomes or on benefits. Some landlords will specify 'no DSS' whilst others shy away from tenants on Universal Credit fearing the implications of rent-direct. Landlords accepting tenants on benefits will take a month's deposit and / or a guarantor who can cover the full rent.

Ynys Môn conducted a survey of private sector landlords during 2017. The survey was sent to 384 private landlord with a 11% response rate. In summary it showed that, the majority said they owed one house, 74% of the tenants stayed between 1 and 5 years, 42% were claiming HB. We also asked what would incentivise landlords to let to tenants on HB. The responses were, 71% would value some form of tenancy support, 85% wanted some form of rent guarantee. The types of problems reported were rent arrears, 52% and tenants causing damage to the property, 48%. When proposed a list of incentives, landlords were asked to rank their priority would be for financial assistance for minor improvements and guaranteed rent for empty properties until suitable tenants were found.

A recently conducted survey in December 2020 showed us that a number of Private Tenants were struggling to afford food or heat the house. Many were prioritising the payment of rent, with some resorting to borrowing money from family and friends in order to meet their commitments. It would be of concern that three of the fifty-two completing the survey had used money lenders to enable them to pay their rent. Those tenants struggling to afford their rent, or actually in debt, had not discussed these issues with their landlord with only one individual having agreed a repayment plan.

The survey had asked whether tenants were aware of the help that could be offered, of those answering fifteen were unaware of the advice, information and support that could be provided by the Local Authority to prevent households in the area becoming homeless. A number had requested further information on maximising income, tenancy support and tenancy rights, these details have been forwarded to the relevant services for further action.

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Welsh Government's Welsh Language Communities Housing Plan

The consultation document states that 'large numbers of second homes and short-term holiday accommodation have provoked strong feelings in particular communities in Wales for some years. In these communities, there is often a sense of injustice that people are priced out of their local housing market by those purchasing second homes or homes to let as short term holiday accommodation.

Second homes are often concentrated in and around Welsh-speaking communities, and this can lead to patterns of home occupation which have a detrimental effect on the use of Welsh in communities which are crucial to the long term flourishing of our language. Second homes, alongside a range of wider factors, impact on the affordability and availability of housing for local people and raising prices in the local housing market, sometimes dramatically'.

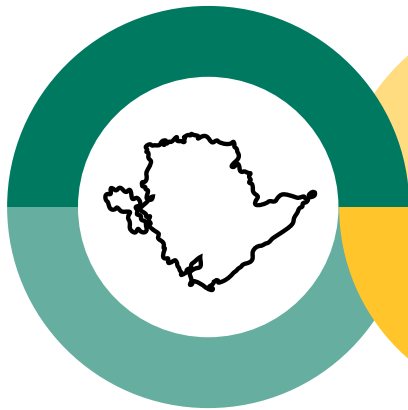
A recent report by the Joint Planning Service for Gwynedd and Anglesey, July 2021, stated 'The average median house price in Anglesey (2019) was £170,000. With an average income of £27,445 the income to house price affordability ratio in the county is 6.2:1. This means on average that 62.2% of local people are priced out of the housing market. This statistic increases greatly in the wards where there are high numbers of holiday homes. For instance, in the Rhosneigr where 35.12% of the houses in the community council area are holiday homes, the median average house price is £263,000. With an average household income of £31,596, the house price to affordability ratio in the area is almost double the county's average at 8.3:1'.

The Strategy acknowledges the pressures faced by families and households in wanting to access affordable housing within their local communities during an unprecedented change in the housing market which has seen a huge increase in house prices. The recent housing Needs Survey highlighted the type and need for local housing solutions and that this Strategy will facilitate in developing and implementing a range of housing options for the residents of Anglesey.



Ty'n Coed, Moelfre (Isle of Anglesey County Council)

THEME 1



Development of the right homes for Anglesey's FUTURE

THEME 2



Making best use of existing housing stock and improving homes and communities

THEME 3



Preventing housing crisis and increasing housing options

THEME 4



Support to promote housing independence

THEME 5



Homes for longer lives

THEME 6



Housing is a contributor to the local economy



THEME I – Development of the right homes for Anglesey’s future

Why is this important?

The Covid period has shown us how important it is for people to be able to live within their local community and to be digitally connected.

Wages in North Wales are amongst the lowest in Britain and with an increase in rents in the private rented sector and increase in house prices access to affordable housing is even more difficult.

The average house prices will continue to increase and the issue of second homes will continue to draw attention on a local and national level.

Providing a range of affordable housing initiatives is important to help a variety of households such as single people, families and households requiring support and adapted properties, which also help, maintain Welsh communities.

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What are we going to do?

Build homes in communities with our key Housing Partners, this includes working with rural communities to understand the real housing need within the communities.

Housing Services and its key Housing Partners will build social rented properties, intermediate rent, self build and assistance to first time buyers as well as introduce a Shared Equity Policy.

Ensure provision of suitable sites for Gypsy and Travellers as identified in the Gypsy and Traveller Accommodation Needs Assessment.

How are we going to do this?

Over the next three years increase the Council housing stock by 176 homes and RSLs (our key Housing Partners) homes by 144 and we will encourage Welsh names on these new build schemes.

This will be a will be a long term action with target set for the next 3 years and reviewed yearly.

Review data for an update on the Local Market Housing Assessment which will include a prospectus of housing need for the Island.

This is a short term action which will be reviewed.

Respond to current Gypsy and Traveller Accommodation Assessment as well as conducting an assessment during 2021 and respond to any emerging need.

This will be a medium to long term action.



THEME 2 – Making best use of existing housing stock and improving homes and communities

Why is this important?

Empty long term homes have an effect on the community causing complaints which the Council and other organisations have to deal with.

Renting in the Private Sector is the only choice for some households.

Assisting communities to be able to offer a network of volunteering, inclusive and digital opportunities to take part or ask for assistance as an when people need it.

Decarbonisation agenda aims to make houses more energy efficiency and reduces our carbon footprint.

The Rent Homes Act requirement for standard contracts will be implemented in Spring 2022 which will effect all private and social tenancies.

What are we going to do?

Bring empty homes back into use, with at least 50 houses during 2021-22.

Target the most problematic houses within the communities and improve houses in the private rented sector.

Facilitate community networking and promote Place Shaping.

Produce a Decarbonisation Strategy.

Work collaboratively to encourage consistent messaging regarding the Renting Homes Act.

How are we going to do this?

Review our Empty Homes Strategy for the next period 2023-28

This is a short term action.

These are on going actions which are monitored regularly:

Offer advice and liaise with private landlords in order to encourage a good supply of homes to help with people who have tenancy support or tenancy issues.

Offers advice, grants and loans to bring back empty homes into use, this includes offering shared equity and assistance to first time buyers by utilising the Housing Revenue Account and Council Premium to fund these initiatives.

Provide advice on fuel poverty, financial and digital inclusion and other money matters that affect households and sign post to initiatives such Low Carbon Happy Homes Initiative.

Actively seek opportunities to reduce emission and look at alternative heat sources and funding opportunities.

Introduce the Renting Homes Act changes to all our tenants as required by Welsh Government.

This is a short term action.



THEME 3 – Preventing housing crisis and increasing housing options

Why is this important?

Initial indication is that the priority need status within homelessness will not be reinstated with the additional pressures continuing into the long term for Housing Assessment Teams, Housing Solutions and Housing Support Providers.

Single person households remains the highest category in terms of presentation to our Homeless Service, with many presenting with complex needs.

The true effects of Covid remain uncertain as restrictions on interaction being limited at short notice causing families and households to deal with tensions, domestic violence and mental health issues during longer periods of isolation and reduced social interactions.

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What are we going to do?

There will be a need to have a provision for emergency accommodation to ensure that those who present as homeless are able to access accommodation. By working to the principles of rapid rehousing the emphasis will be on sourcing or securing suitable accommodation with support complementing the needs of the person or family to be able to sustain their tenancy in the future.

Our Homeless Prevention Fund will assist in preventing homelessness to those who are at risk of losing their tenancy or would become homeless.

Continuing to work and develop connections with the private rented sector landlords will remain a key feature of our daily work over the course of the Strategy.

Dealing with issues relating to poverty will become a key feature within the Corporate agenda within the Council to ensure that services are targeted to households so that people are able to get support as needed.

Implement the Housing Support Grant Programme Strategy 2022-26.

How are we going to do this?

Our Housing Support Grant will be targeted towards services which promote the sustainability of tenancy avoiding homelessness by ensuring that families are in suitable accommodation and prevent homelessness via our support services.

This is a long term action.

Provide a minimum of 33 homes which offer a rapid rehousing approach to dealing with homelessness within the next year / year and half.

This is a short term action which will be reviewed each year as we work to this principle over the long term.

Develop a North Wales communication plan for Private Tenants to promote timely advice on how Housing Assessment and Options Teams can assist with potential on ongoing issue before they reach homeless crisis point.

This is medium term action.

Promote local initiatives such as Bwyd Da Môn.

This is short to medium term action.

The Council has established a Corporate Preventative Board to promote joint working to prevent families from a crisis situation which also reduces costs on statutory services through local service provision.

This is a long term action.



THEME 4 – Support to promote housing independence

Why is this important?

Supporting people to live independently is reflected in the Council's Corporate Plan with many of Housing Services and its partners work and activities contributing towards this, from Tenant Participation to Housing Support Grant empowering people to be able to contribute and take part in their community.

Helping people to access services for support is key to preventing crisis points and intervention by statutory intervention.

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What are we going to do?

Distribute the Housing Support Grant to our providers which reflect the needs as identified with the needs assessment.

Provide a wrap around service for victims of domestic violence.

We want to encourage opportunities for people to be able to take part in community and digital activities to prevent isolation.

How are we going to do this?

The needs mapping data continues to inform services going forward with mental health, homelessness, alcohol and drug misuse continue to be an issue.

This is a short term action which feeds into long term plans.

By working with Children's Services Domestic Abuse Services are delivered in a co-ordinated way by offering a One Front Door to access services.

This is a long term action.

Review our current Tenant Participation Strategy 2018-23 and include the opportunity to promote digital inclusion.

This is a short term action.



THEME 5 – Homes for longer lives

Why is this important?

People are living longer and as such, we expect to see an increase of approximately 70% in the number of people over 85 living on the Island over the next 10 years.

The World Health Organisation has developed an Age Friendly Communities framework of which housing is one of the 8 domains.

Promoting independence is a key aspect of the Councils Corporate Plan.

People and families are facing crises such as war and violence in other countries and we are ready to assist with the re-settlement schemes of families here on Anglesey.

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What are we going to do?

Ensure our provision of Sheltered Housing continues to offer an appropriate housing offer and that best use is made of the stock as well as offering downsizing incentives.

Complete a business case for a third Extra Care Scheme on the Island and agree a way forward on the development of the scheme via the Housing Revenue Account.

Promoting the Adult Services model of social prescribing and offering information, advice and assistance as required under the Social Services and Wellbeing Wales Act.

Work will continue to work towards offering a consistent service when a family or individual makes a request to adapt their home, regardless of tenure, i.e. owner occupied or a tenant.

Housing Services and its key Housing Partners will work with North Wales Together (Seamless Services for people with Learning Disabilities) to ensure the correct provision for people with disabilities within the various grants for existing and new build properties.

Co-operate with the Home Office on National Resettlement Schemes.

How are we going to do this?

The development of the right type of housing in the right area with provisions made for older people within extra care development as well as looking at the option of older people's accommodation.

This is a short to medium term action.

The provision of an occupational therapist within Housing Services will assist with timely advice and adaptations solutions to those needing to access social rented properties as well as ensuring that new developments are suitable for families or individuals who required purpose built homes.

This is a short action.

We will work with Adult Services in realising their Older Peoples Accommodation Strategy.

This is a long term action.

Offer an agreed set of Service Standards for adaptations, without distinction on tenure type to ensure that those receiving adaptations to their homes receive the best standard of service.

This is a short term action.

Work with North Wales Together to share information on the provision of services for people with Learning Disabilities and possible locations for accommodation.

This is a medium term action.

Agree on a Refugee Resettlement Scheme.

This is a long term action.



THEME 6 – Housing is a contributor to the local economy

Why is this important?

Social, Economic and Environmental benefits can come from the direct result of building new homes and the inclusion of smart living. The Council and its RSL partners can have a direct impact on this by building new affordable homes as well as being awarded the Innovative Housing Grant which promotes the use of measures which make homes more energy efficient.

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Appropriate development of affordable and open market housing is needed to support growth of town and rural economies.

Recent information has highlighted that the lack of affordable homes available for local people to purchase has been linked to people now being able to work from home and therefore re/locating to Anglesey coupled with an increase in second homes and the holiday let market such as Air B&Bs

There continues to be a contrast between the economic prosperity and levels of social deprivation in some of the prosperous communities and the least well off.

The role of housing during the covid recovery as well as the green recovery will be crucial.

What are we going to do?

The North Wales Ambition Board has an aim to improve the energy efficiency of homes in North Wales.

The Council continues to encourage initiatives which support local businesses to tender for contracts of work and encourage the opportunity for carbon reducing construction and retrofitting.

Respond to the challenges that second homes present by providing affordable homes and the plan issued by WG in response to these matters.

Housing Services and its Partners contribute significantly to the local economy through a number of work, construction and refurbishment contracts as well as service contracts which supports local support providers and work opportunities.

How are we going to do this?

By contributing to Regeneration Projects such as bringing empty properties back into use will continue to be supported while funding is available.

This is medium term action.

Housing Services and its key Housing Partners continues to support a number of local firms via its planned maintenance schemes, retrofits, new build programme and its renovation of buy backs (ex Council Houses). Our Service Contracts also have an important role in supporting jobs and creating opportunities.

This is an going action.

We will encourage opportunities to work together to respond to the challenge of decarbonisation and local opportunities to encourage job and re-skilling for individuals e.g. by working with MSparc and local colleges.

This is an going action.

By establishing a Task and Finish Group on Second Homes we will seek solutions which will mitigate the effect second homes have on our communities and residents.

This is a medium term action.

Isle of Anglesey County Council	
Report to:	Strategic Executive Committee; Business Meeting of the Executive; Executive and Full Council
Date:	24.01.2022. (Standards Committee); 31.01.22 - (Business Meeting of the Executive) 14.02.22 – (Executive) 10.03.22 – (Full Council)
Subject:	The Renting Homes (Fees etc.) (Wales) Act 2019; implementation arrangements for Isle of Anglesey County Council and Rent Smart Wales
Portfolio Holder(s):	Cllr Richard Dew
Head of Service / Director:	Christian Branch Head of Regulatory and Economic Development
Report Author: Tel: E-mail:	Trystan Owen Environmental Health Manager 2835 Trystanowen@ynysmon.gov.uk
Local Members:	Applies to all Members

A –Recommendation/s and reason/s

It is recommended:

- 1. That the Head of the Regulatory and Economic Development be given delegated authority so as to authorise relevant officers to exercise as and when required, the carrying out of those statutory enforcement powers under the Renting Homes (Fees etc.) (Wales) Act 2019 on behalf of this Council.**

- 2. That the Head of Regulatory and Economic Development be given the right to delegate to officers of the County Council of the City and County of Cardiff to take appropriate action on behalf of this Council for enforcing the provisions of the Renting Homes (Fees etc.) (Wales) Act 2019, through its service known as Rent Smart Wales.**

Executive Summary:

The Renting Homes (Fees etc.) (Wales) Act 2019 ('the Act') makes it an offence to require a tenant, or contract-holder to make any payment that is not specified as a 'permitted payment' in the legislation. This includes the administration involved in creating or renewing an occupation-contract, check out fees, conducting property viewings and reference checks.

The Act defines permitted payments that can be required by letting agents and self-managing landlords as:

A –Recommendation/s and reason/s

- rent
- holding deposits
- security deposits
- payments in respect of utilities (e.g. council tax, television licence and communication services)
- payments in default (where tenant has done something wrong, e.g. lost keys, late payment of rent)

An enforcement authority will have the power to issue fixed penalty notices. Local authorities will have the ability to enforce the requirements of the Act, along with Rent Smart Wales - a service hosted by County Council of the City and County of Cardiff (Cardiff Council) as the licensing authority for the area – the legislation authorises the licensing authority for the area to undertake enforcement work.

The Welsh Minister designated Cardiff Council as the licensing authority for the whole of Wales in 2015, under the Regulation of Private Rented Housing (Designation of Licensing Authority) (Wales) Order 2015.

However, before Cardiff Council can take any enforcement action they must receive written confirmation from the local authority.

This legislation is currently outside the scope of the existing delegation. The full Council is asked to note the implementation of the new legislation, namely the Renting Homes (Fees etc.) (Wales) Act 2019 and to amend the scheme of delegation to officers by delegating to the Head of Regulatory and Economic Development the Act's functions as exercisable by the Isle of Anglesey County Council.

It is also asked to delegate to the Head of Regulatory and Economic Development the right to delegate further to officers of the County Council of the City and County of Cardiff (Cardiff Council) through its service known as Rent Smart Wales (RSW) this Council's enforcement provisions in the Act. This is to ensure that the relevant statutory enforcement powers under the Act are used appropriately.

RSW will take enforcement action in place of Local Authority only in limited circumstances:

- where RSW is undertaking an audit of a letting and managing agent and find evidence of non-compliance
- where RSW is taking enforcement action for Housing (Wales) Act 2014 offences (e.g. not registered with RSW) and tenant fee contraventions are found
- other exceptional circumstances to be agreed on a case by case basis with the relevant Local Authority

This is a new legislation which requires new arrangements in place to respond to the requirements.

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

We considered the option of enforcing the provisions of the Act ourselves rather than using Cardiff Council.

However, sharing the enforcing duty with Rent Smart Wales enables us to work collaboratively and more efficiently. Rent Smart Wales have received delegated powers on behalf of other local authorities in Wales – such as Wrexham County Borough Council and Vale of Glamorgan Council.

C – Why is this a decision for the Executive and full Council?

As the recommendation is to amend the Scheme of delegation in the Constitution then that is a function that is reserved to the full Council, but subject to a prior recommendation from the Executive.

Reasons for decisions (1&2 box A), to ensure that the relevant statutory enforcement powers under the Act are used appropriately.

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

Yes – 3.2.3.1 of the Constitution

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

The additional regulatory burden of this legislation has been the subject of the financial assessment by Welsh Government. It is considered that the fixed penalty (£1000 per offence) or court cost awards will cover the financial impact incurred.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	NA
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Dd – Assessing the potential impact (if relevant):		
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	NA
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Yes – discussed the matter with Rent Smart Wales. Rent Smart Wales is a service hosted by Cardiff Council as the licensing authority for the whole of Wales. Welsh Ministers designated Cardiff Council as the licensing authority for the whole of Wales in 2015.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	NA
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	NA
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	NA
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	<p>Rent Smart Wales is subject to the standards imposed upon Cardiff Council under the provisions of the Welsh Language Standards (No.1) Regulations 2015. Thus ensuring that the Welsh language is treated no less favourably than English in enforcing this legislation.</p> <p>The cause of action linked to this legislation specifically targets landlords of private rented housing and estate agents. Therefore, the effect on the wider population of Anglesey is less significant.</p>

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Accept the recommendation

E – Who did you consult?		What did they say?
2	Finance / Section 151 (mandatory)	Accept the recommendation
3	Legal / Monitoring Officer (mandatory)	No comments
4	Human Resources (HR)	NA
5	Property	NA
6	Information Communication Technology (ICT)	NA
7	Procurement	NA
8	Scrutiny	NA
9	Local Members	NA

F - Appendices:
None

Ff - Background papers (please contact the author of the Report for any further information):
<p>1. Background</p> <p>1.1 The Renting Homes (Fees etc.) (Wales) Act 2019 came into force on 5 May 2019. Since the 1 September 2019, letting agents and landlords who manage their own properties are prevented from charging any fees before, during or after a tenancy unless specifically exempt in the Act. Such a banned payment is called a ‘prohibited payment’. Letting agents and self-managing landlords are also banned from requiring a tenant to take out a loan or enter into a contract for services.</p> <p>1.2 Enforcement of these new requirements can be undertaken by the Isle of Anglesey County Council and Rent Smart Wales (Cardiff Council, as the Single Licencing Authority). They will contribute to a fairer and more transparent experience for tenants relying on the private rented sector.</p> <p>1.3 Any payments other than those listed above are banned and prohibited. Where any rent payment, in one period, is greater than the amount of rent payable in any other period during the contract, the difference (a ‘rent fluctuation’) is also considered a prohibited payment. There is an exception where there is a ‘permitted variation’ agreed between landlord and tenant.</p> <p>1.4 ‘Holding deposits’ are limited to one week’s rent and must be re-paid within seven days of the contract being agreed. If the tenancy contract is not agreed, the deposit must, subject to limited exceptions, be repaid within 15 days. There will be no change to existing legislation governing ‘security deposits’.</p>

2. Key Issues for Consideration

2.1 Offences are committed where landlords and/or agents fail to comply with the Act. Local authorities are responsible for enforcing this legislation in partnership with Rent Smart Wales (RSW). The legislation places the duty for enforcement on each local authority, with a power to share the responsibility with Rent Smart Wales. This is a new piece of legislation that makes provision to protect tenants and is currently outside the scope of the existing delegation. Full Council is asked to delegate these functions to the Head of Regulatory and Economic development to ensure that the relevant statutory powers under the Act are delegated to the relevant officers and the Executive is asked to agree this recommendation. Additionally, the other local authorities in Wales are now in the process of planning, in accordance with their own constitutional arrangements, to authorise Rent Smart Wales to enforce the provisions of the Act.

2.2 Local Authorities are primarily responsible for enforcing the requirements and have a duty to inform Rent Smart Wales if they take enforcement action. Rent Smart Wales will also have a duty to inform Local Authorities if they serve a fixed penalty notice or prosecute under the new Act. There are two formal enforcement options:

2.3 Issue of a fixed penalty notice (FPN) of £1,000, the payment of which would avoid prosecution proceedings. The fixed penalty payment receipts will be used for this enforcement function.

2.4 Prosecution for offences under the Act, which could result in a fine not subject to a minimum on the standards scale of fines (except for failure to provide information required by statutory notice, in which case a fine up to level 4 on the standard scale could be imposed).

3. How do proposals contribute to our Well-being Objectives?

3.1 The Private Rented Sector (PRS) has increased substantially over the last decade and is set to continue to play an important part in the Welsh housing market in future, particularly considering both the projected increase in population, and the trend towards an even larger increase in number of households over time. Research has identified that letting agent fees have been increasing substantially over time, and thus are likely in future to present an even greater barrier to potential tenants than at present. Making the PRS an attractive and affordable tenure of choice will assist in dealing with the increasing housing demands we expect in the next 20 years.

3.2 Recent research has shown that those who are homeless or at risk of homelessness find it particularly difficult to bring together the funds necessary to secure accommodation in the PRS. The legislation will also

support work on homelessness, by making it easier for those without access to large lump sums to access the PRS.

3.3 With regard to the five ways of working, the Council has strong established links with Rent Smart Wales who can work collaboratively to ensure a more effective enforcement regime to protect consumers and the proposals in this report represent an integrated approach toward dealing with the increasing housing demands we expect in the next 20 years.

4. Resource and Legal consideration

Employment

4.1 No additional staff resources are anticipated at this stage. The legislation will be enforced on a reactive basis following complaint and prioritised accordingly or as part of an ongoing case investigation.

Legal (Including Equalities)

4.2 The local housing authority and the licensing authority for the area is for the purposes of the relevant provision contained within 'the Act' the enforcement authority in relation to the area of a local housing authority.

4.3 A licensing authority which, by virtue of the relevant provision contained within 'the Act' is the enforcement authority for the area of a local housing authority, may not exercise any function of an enforcement authority in relation to that area, nor bring proceedings under section 19 of 'the Act' in relation to that area, without the prior written consent of the local housing authority for the area.

4.4 Consent under the relevant provision of 'the Act' may be given generally or in relation to specific cases or functions.

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Isle of Anglesey County Council	
Report to:	Full Council
Date:	10 March 2022
Subject:	Review Report - Joint Local Development Plan
Portfolio Holder(s):	Councillor Richard Dew
Head of Service / Director:	Christian Branch - Head of Service – Regulation & Economic Development
Report Author: Tel: E-mail:	Rebeca Jones (Planning Policy Manager) rebecajones@gwynedd.llyw.cymru
Local Members:	Relevant to all Elected Members

A –Recommendation/s and reason/s	
Recommendation	
That the Full Council:	
Agree to publish the Review Report (see Appendix 1) and to present the report to the Welsh Government, so that the preparation of the Replacement Plan can commence.	
Reasons	
1.0	Background
1.1	The Planning and Compulsory Purchase Act 2004 states that a Local Development Plan needs to be reviewed 4 years following its adoption. The Joint Local Development Plan (Joint LDP) was adopted on 31 July 2017 and therefore, in line with statutory requirement, the date for the start of the review process was 31 July 2021.
1.2	Before commencing the preparation of a revised LDP the current plan must be reviewed and a Review Report prepared. It is a statutory requirement for Full Council to agree to publish a Review Report for submission to the Welsh Government, before the process of preparing a revised LDP can begin.
1.3	The purpose of the Review Report is to look at all the evidence relevant to the LDP, and to reach a conclusion on the type of revision that will be undertaken. This may be a full revision, which constitutes the preparation of a replacement Plan, or a short form revision, which constitutes the modification of certain parts of the current Plan. It is emphasised that the purpose of the Review Report is not to detail any changes that will be made to the Plan.
1.4	The Development Plan Manual (Welsh Government) states that the Review Report should be <u>concise</u> and include the following: <ul style="list-style-type: none"> • What information is considered to inform plan review and why • How the findings impact on the vision, aims and objectives of the plan,

A –Recommendation/s and reason/s

- including implementation of the strategy
- A review of each plan topic area clearly identifying what needs to change and which parts of the evidence base require updating to support the changes
- A reconsideration of the Sustainability Appraisal/Strategic Environmental Assessment and Habitats Regulations Assessment
- Explore and explain the opportunities to prepare JLDPs/JLDPLs with neighbouring LPAs and increase cross-boundary working
- Clear conclusions on why the full, or SFR procedure is to be followed

1.5 The Review Report at Appendix 1 consists of 6 parts which are:

Part 1 – Introduction and background, which includes the legislative context and sets out what the Review Report is for and what is in parts 2 to 6 of the Review Report

Part 2 - Includes the main changes in legislation, national, regional and local policy which have come into force since the adoption of the current plan, and other matters which influence and therefore require further consideration.

Part 3 – Includes a review of the current Plan and sets out possible changes that will need to be made to the Strategy, objectives and policies of the Joint Local Development Plan.

Part 4 – Includes the requirements for reviewing or updating the evidence base to support or inform any changes to the Joint LDP.

Part 5 - Includes the consideration that has been given to joint working and the preparation of a Joint Local Development Plan, as this is required to be considered within the Review Report.

Part 6 - Sets out the conclusions about the form of the review of the Plan (short or full form review) that will need to be followed.

1.6 The evidence in the Review Report underlines the need for **a Full Revision of the Plan, and as outlined below in the overview of the responses to the public consultation there is consensus with this approach.**

2. Public Consultation

2.1 The Draft Review Report was published for a period of public consultation between 5th November and 20th December 2021, and Member Briefing Sessions were also held in November 2021 for all Elected Members to explain the process. The consultation letter is attached at Appendix 2 for information, which confirmed the

A –Recommendation/s and reason/s

purpose of the Report, which was to look at all the evidence relevant to the Joint LDP, and to reach a conclusion on the type of revision that will be followed. The consultation letter also emphasised that "**the purpose of the Review Report is not to detail any changes that will be made to the Plan**".

Overview of comments received

2.2 Following the public consultation 329 comments were received from 48 individuals/organisations. The comments received on the Review Report together with the Service's response are attached at Appendix 3. The comments can be categorised into 3 categories as set out below:

- i) Comments leading to a change
- ii) Comments not relevant to this stage of the process
- iii) Comments not relevant to the LDP (i.e. not land use planning issues)

2.3 Comments falling into category (i) have led to the changes which can be seen in the final Review Report in bold and double underlined text (see Appendix 1). The main changes are set out below.

- i) Include reference in part 2 of the document to:
 - a. Active Travel Act Guidance (July 2021) (Welsh Government publication)
 - b. Welcome to Wales: Priorities for the Visitor Economy 2020-2025 (Welsh Government publication)
 - c. Marine Area Statement (Natural Resources Wales publication)
 - d. Welsh National Marine Plan
- ii) Include text providing an update on and delays in issuing the revised TAN 15 in Part 2
- iii) Include text referring to the consultations by the Welsh Government on possible changes to local taxes on second homes and self-catering accommodation, and amendments to the planning regulations and policy relating to second homes and self-catering accommodation
- iv) Minor changes to the text for accuracy.

2.4 A large number of the comments received fell into category (ii) as they required specific changes to the Joint Local Development Plan, or required further work/evidence on specific areas. As set out in "The Service's response to the comments", there will be an opportunity to consider these issues as part of the process of preparing a replacement plan which is the next step. Below are issues raised as part of the Public Consultation, all are issues which have been addressed in the Review Report, but will be fully considered during the preparation of the replacement Plan.

A –Recommendation/s and reason/s

- Welsh Language and Policy PS1
- Affordable Housing for local people
- Local Market Housing and Policy TAI5
- Second homes and Short-term holiday lets
- Tourism, the visitor economy and overtourism
- Well-being Act

2.5 As noted in para 4.2 of the Review Report: "***the revision or replacement of the evidence base will provide an opportunity to gain a better understanding of the land use requirements of both counties during the lifetime of the Replacement Plan as well as considering the implications of the Covid pandemic and any contextual or policy changes that have taken place since the adoption of the current plan.***" It is also emphasised that this will include taking full account of all the issues that have arisen in response to the Review Report.

2.6 The representations falling into category (iii) are not relevant to the LDP preparation process or are not matters relevant to the planning system. Although these are not matters which are relevant to planning, these may be relevant to areas of work of other Council Departments / Services.

2.7 As the main purpose of the Review Report is to reach a conclusion as to what type of revision should be followed (short form revision or full revision), the supporting evidence and comments received during the public consultation period support a need to **undertake a full revision** of the Plan. Appendix 4 shows the steps that will need to be followed for a full revision – the preparation of a replacement Plan.

3. Joint Planning Policy Committee

3.1 At a meeting of the Joint Planning Policy Committee held on the 22nd October 2021 Committee members considered and then approved the draft Review Report, for a period of public consultation referred to in part 2 of this report.

3.2 The comments received from the public consultation as well as the Joint Planning Policy Service response together with the Review Report which included changes following the public consultation, were submitted to a meeting of the Joint Planning Policy Committee on the 4th February 2022. The Joint Planning Policy Committee's decision was to:

- i) Accept the proposed changes to the Review Report as shown in Appendix 1.
- ii) Approve the Review Report as the final report which will be published and submitted to the Welsh Government subject to the approval of The Full Council of Gwynedd Council and the Isle of Anglesey County Council

A –Recommendation/s and reason/s

3.3 As previously noted, it is a statutory requirement to obtain full Council's agreement to publish the Review Report in order to submit it to the Welsh Government, before the process of preparing a Replacement LDP can begin.

4. Next Steps

4.1 Subject to the agreement of the Councils, the next stage will be the preparation of a Delivery Agreement and a Community Involvement Plan, which will set out the steps and timetable for the preparation of a replacement plan, together with how the Council will involve Communities in the preparation of the Replacement Plan. The Delivery Agreement will be subject to public consultation and will be considered by the Council before being submitted to the Welsh Government. Once the Delivery Agreement has been agreed with the Welsh Government, work formally begins on the process of preparing a Replacement Plan. Pre-preparation work is underway within the Service and this work will continue until the Delivery Agreement is agreed.

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

Not Relevant as preparing and presenting a Review Report to the Welsh Government is a statutory step

C – Why is this a decision for the Executive?

As noted in para 3.1 and 3.2 the Joint Planning Policy Committee have considered the Review Report prior to the public consultation and have considered the changes made to the Review Report following the Public Consultation and The Joint Planning Policy Committee's decision was to:

- i) Accept the proposed changes to the Review Report as shown in Appendix 1.
- ii) Approve the Review Report as the final report which will be published and submitted to the Welsh Government subject to the approval of The Full Council of Gwynedd Council and the Isle of Anglesey County Council

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?

n/a

Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	Presenting a Review Report will enable work to begin on a Replacement Local Development Plan.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	n/a
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	The Review Report has been prepared by the Joint Planning Policy Service. The Service is a Joint Service between the Isle of Anglesey County Council and Gwynedd Council.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The Review Report has been the subject of Public Consultation, see paragraph 2.1 – 2.7 in Part A above.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	d/b
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	d/b Once a Review Report has been presented to Welsh Government work can begin on preparing a replacement plan. The Replacement Plan will respond to the socio economic issues facing the Island by, for example ensuring adequate supply of affordable housing, employment opportunities through employment land allocations, ensuring development is in sustainable locations which is accessible for all.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	d/b

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	

F - Appendices:

- Appendix 1:** Review Report
Appendix 2: Consultation Letter
Appendix 3: Comments following consultation and the Service response
Appendix 4: Steps for the preparation of a Replacement Plan

Ff - Background papers (please contact the author of the Report for any further information):

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Final Review Report Gwynedd and Anglesey Joint Local Development Plan

**(incorporating the changes following the public
consultation)**

March 2022

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1.0 Introduction

Background

- 1.1 The Planning and Compulsory Purchase Act 2004 states that a Local Development Plan needs to be reviewed after a period of 4 years following its adoption. The Joint Local Development Plan (JLDP) was adopted on 31 July 2017 and therefore, the review of the Plan has commenced on 31 July, 2021.
- 1.2 The Town and Country Planning (Local Development Plans) (Wales) Regulations 2005 and the Town and Country Planning (Local Development Plan) (Wales) (Amendment) Regulations 2015 set out the statutory steps that must be undertaken in reviewing the Local Development Plan. The regulations set out different steps to undertake a short form review or a full review of a Local Development Plan. Welsh Government guidance clearly outlines the circumstances in which either of the procedures will be followed. Please note that the two regimes are quite different and it is not optional which one will have to be followed. Following attention to the relevant considerations in the following Report the Report will reach a conclusion as to what review procedure will need to be undertaken, i.e. whether it is a short form review or a full review. The replacement JLDP will cover the plan period to 2036, which is the end of a 15-year period starting in 2021.
- 1.3 The Annual Monitoring Reports (AMR) are a key part of the process of reflecting on the performance including the successes and failures of the current Plan. Furthermore, the AMR's findings contribute to informing the development of the Revised Plan. The published AMR (3 in number) identifies concerns about some policy areas where the policy target set within the indicator has been missed. These failures did not in themselves justify the need for an early review of the Plan as the plan was, on the whole performing well. However, they are issues that will need to be considered as part of the Replacement Plan. See part 2.89 for more details.

What is a Review Report

- 1.4 Preparing and receiving approval of the Review Report is the first step in the process of preparing a Replacement Plan. The Review Report will be a key part of the Councils' evidence base when the Replacement JLDP is submitted to the Welsh Government for examination.
- 1.5 This Review Report presents areas where the current LDP is achieving and performing well, as well as those areas where changes may be needed. **It is emphasised that the purpose of the Review Report is not to detail any changes that will be made to the Plan.** It will only be possible to identify the details of the changes that need to be made to the Plan in the process of preparing the Revised Plan and gathering the relevant information and evidence.
- 1.6 The Review Report will:

- summarise the findings of the Annual Monitoring Reports to date;
- review existing policies within the JLDP in accordance with the headings set out within the Plan;
- consider if there are contextual changes leading to the need to change aspects of the Plan;
- identify what further research/information gathering is required for the preparation of a Replacement Plan.
- assess relevant national, regional and local Plans/Strategies/Legislation that have come into force since the original Plan was adopted and consider the need to ensure that the Plan is aligned with current guidance;
- reach a conclusion on the appropriate procedure for undertaking the review and preparing a Replacement plan (full or short form review).

1.7 The Report contains the following parts:

Part 2

Part 2 sets out the main changes in legislation, national, regional and local policy that have come into force since the adoption of the current plan. It is considered that the changes highlighted in this part are important to consider when revising the JLDP. The main findings of the three Annual Monitoring Reports that have been prepared are identified along with other issues that may influence.

Part 3

This part sets out a review of the current Plan and sets out possible changes that will need to be made to the strategy, objectives and policies of the Joint Local Development Plan.

Part 4

This part sets out the requirements for reviewing or updating the evidence base to support or inform any changes to the JLDP.

Part 5

This part sets out the consideration that has been given to joint working and preparation of a Joint Local Development Plan.

Part 6

Part 6 sets out the conclusions and form of review that will need to be followed.

2.0 Relevant information and issues

Significance of contextual changes

- 2.1 In the period since the adoption of the JLDP (31 July 2017) a range of national, local and regional legislation/policies and strategies have been published. In order to ensure that the Plan and its content is up to date, it will be necessary to ensure that consideration is given to these contextual issues that influence the content of the Plan. The Revised Plan will need to take account of the various new Acts, policy frameworks, updated guidance and evidence that has emerged at national, regional and local level.
- 2.2 Although not exhaustive, the following sets out those elements that will have the most significant influence in preparing the Revised Plan.

Legislative Changes

The Town and Country Planning (General Permitted Development) (Amendment) (Wales) Order 2019.

- 2.3 On 1 April 2019 an amendment to the General Permitted Development Order (GDPO) came into force relating specifically to energy, telecommunications and service developments. The most significant amendment is an amendment to Schedule 2, part 2 'Minor Operations' which introduces Classes D and E and establishes development rights for equipment and infrastructure for "recharging electric vehicles" provided that the proposals comply with the prescribed criteria.

Planning (Wales) Act 2015

- 2.4 The Planning (Wales) Act received Royal Assent in July 2015 and came into force in stages between October 2015 and January 2016. Although it was in force before the JLDP was adopted and before the public inquiry, it is considered useful to refer to it as it provides a basis for other contextual changes that need to be taken into account in the preparation of the Replacement Plan and subsequent monitoring. It presents a legal basis for the preparation of a National Development Framework (NDF) and Strategic Development Plans (SDPs).

Environment (Wales) Act 2016

- 2.5 The Act received Royal Assent on 21st March 2016, providing new legislation to proactively and sustainably manage Wales' natural resources. The Act includes a new biodiversity duty which aims to help reverse decline and ensure the resilience and future of long-term biodiversity in

Wales. The Act also gives Welsh Ministers the task of setting targets to reduce greenhouse emissions and set carbon budgets. It introduces new powers to increase the amount of materials to be recycled, as well as improving the quality of materials to be recycled. The act also places a duty on Natural Resources Wales (NRW) to prepare a State of Natural Resources Report and Area Statements.

Well-being of Future Generations (Wales) Act 2015

2.6 Although the date of this Act is 2015, it came into force after the JLDP was submitted for examination (April 2016). The Well-being of Future Generations (Wales) Act received Royal Assent in April 2015 and came into force on 1 April 2016. The Act strengthens the current governance arrangements for improving the well-being of Wales by ensuring that sustainable development is at the heart of decision made by government and public bodies. It aims to make a difference to the lives of people in Wales in relation to a number of well-being goals including improving health, culture, heritage and the sustainable use of resources. The Act provides the legislative framework for the preparation of Local Well-being Plans, which replace Single Integrated Plans.

2.7 The act's seven well-being goals are as follows:

1. A prosperous Wales
2. A resilient Wales
3. A healthier Wales
4. A more equal Wales
5. A Wales of cohesive communities
6. A Wales of Vibrant Culture & Thriving Welsh Language
7. A globally responsible Wales

2.8 During the examination of the Joint LDP, the implications of the Act were addressed to ensure that the Plan reflected the aims contained in the Act.

Revisions to National Planning Policy guidance

National Plans and Policies

Future Wales: The National Plan 2040 (2021)

2.9 "Future Wales: The National Plan 2040" is the national development framework, setting the direction for development in Wales up to 2040. It is a development plan with a strategy for addressing key national priorities through the planning system, including maintaining and developing a vibrant economy, achieving decarbonisation and climate resilience, developing strong ecosystems and improving the health and well-being of our communities.

2.10 The National Plan identifies four regions for the future development of policy in Wales - North Wales, Mid Wales, South West Wales and South East Wales. Each region must have a Strategic Development Plan (SDP) that recognises the strengths and challenges in that region, and also complements the plans and work taking place in other regions. This means that regions should work well together to deal with issues that are occurring across the regions and maximise the opportunities for growth. Broadly speaking, SDPs will be prepared in a similar way to Local Development Plans, but will not replace them. LDPs will continue to focus on local planning policies but may be more concise and more focused once the SDP has been adopted. Overall, the Plans (SDP and LDPs) are expected to be in line with the Future Wales Plan.

Planning Policy Wales Edition 11 (February 2021)

2.11 This document has significant implications for the planning system in Wales and identifies the planning system as one of the main mechanisms for creating sustainable places, and that the principles of place creation are a tool to achieve this through plan making and determining planning applications. Since the LDP was adopted in July 2017, the Welsh Government has published a revised version of Planning Policy Wales (Edition 10) in December 2018. The document has been re-drafted to ensure that the seven well-being goals and five ways of working of the Well-being of Future Generations Act 2015 are fully integrated into planning policy. It also ensures that the concept of creating space is at the heart of national planning policy. This change ensures that planning decisions take account of all aspects related to well-being and provide new development that is sustainable and caters for everyone's needs. A factual update of Planning Policy Wales was published in February 2021 (Edition 11) to align it with the publication of Future Wales and include wider legislative, policy and guidance updates since Edition 10 was published in December 2018.

2.12 In addition, the following new or revised Technical Advice Notes have been published as well as revoking some of them since the JLDP was adopted in July 2017.

Technical Advice Note (TAN 1): Joint Housing Land Availability Study (TAN1) (January 2015)

2.13 Technical Advice Note (TAN) 1 has been revoked in its entirety as a result of the policy change to PPW which now outlines that Local Planning Authorities are expected to use their housing trajectory as the basis for monitoring the process of delivering their housing requirement.

Technical Advice Note (TAN 8): Planning for Renewable Energy (July 2005)

2.14 Following the publication of Future Wales: The National Plan 2040 (2021) TAN 8 was revoked.

Technical Advice Note (TAN 15) Development, flooding and coastal erosion

- 2.15 **A new version of TAN 15 was due to come into force on 1st December 2021. Flood zones are outlined within the document and there will be different zones for flood risk from rivers, sea and surface water. The TAN puts much more emphasis on climate change and how to ensure that issues associated with this are avoided, restricted or mitigated. The updates and changes to TAN 15 include a greater focus on the development plan, and details on how to prepare effective Strategic Flood Consequences Assessments. Development advice maps will be replaced with a new Flood Map of Wales. In November 2021 it was announced by the Welsh Minister that the coming into force of the new TAN15 and Flood Map for Planning would be delayed until 1st June 2023. The Minister also outlined the requirement for every LPA to complete work to review, within the next 12 months, the Strategic Flood Consequences Assessments (SFCA) for their area, either individually or on a regional basis. Once published the new TAN 15 and Flood Map for Planning will be used to inform the Replacement Plan and the reviewed SFCA will inform the LDP's strategy, policies and proposals.**

~~A new version of TAN 15 will come into force on 1 December 2021. Flood zones are outlined within the document and there will be different zones for flood risk from rivers, sea and surface water. The TAN puts much more emphasis on climate change and how to ensure that issues associated with this are avoided, restricted or mitigated. The updates and changes to TAN 15 include a greater focus on the development plan, and details on how to prepare effective Strategic Flood Consequences Assessments. Development advice maps will be replaced with a new Flood Map of Wales. The guidance contained in the new TAN will have to be given thorough consideration when preparing the Replacement Plan to ensure that any changes are in line with the guidance that has been set within TAN 15.~~

Technical Advice Note (TAN 20): Planning and the Welsh Language (October 2017)

- 2.16 TAN 20 provides guidance when considering the Welsh language as part of the process of preparing local development plans. TAN 20 contains advice on incorporating the Welsh language into development plans through Sustainability Assessments. Unless the proposed development is a major unexpected development, individual applications are not expected to include an individual assessment as key issues and themes will have been considered at the time of plan preparation. It includes procedures for unexpected large developments in areas where the language is of particular significance, and includes guidance on signs and notices.
- 2.17 In line with the previous version of this TAN, consideration was given to the Welsh language in the ongoing Sustainability Assessment of the JLDP. Unlike the expectations of TAN 20 October 2017, JLDP Policy PS 1 places an appropriate expectation on individual applications that meet certain thresholds to include an individual assessment and submit it as a Welsh Language Statement with the planning application alongside criterion for submitting a language impact assessment. This was approved because of the need to ensure that the proposed development is in line with the key issues and themes considered in the Sustainability Assessment at the time of preparing the LDP. In addition, this approach ensures that the impact of the development on the Welsh language is considered, when it is relevant to the planning application. The guidance has no current direct impact on the JLDP as Policy PS1, based on existing evidence, ensures that the Welsh language is taken into account when making decisions, when it is relevant to the application.

Technical Advice Note (TAN) 21: Waste (February 2017)

2.18 TAN 21 has been amended to reflect changes to the waste policy context set out in the revised Waste Framework Directive (Directive 2008/98 /EC on waste) and the Welsh Government's policy 'Towards Zero Waste' and the Collection, Infrastructure and Markets Sector Plan (CIMS). These changes have been made to update the way in which the planning process facilitates the introduction of sustainable waste management infrastructure. It also considers specific principles central to sustainable waste management, including the waste hierarchy, self-sufficiency and the concept of the nearest appropriate organisation.

Technical Advice Note (TAN) 24: Historic Environment (October 2017)

2.19 TAN 24 provides guidance on how the planning system considers the historic environment when preparing a development plan and making decisions on planning applications and listed buildings. This includes the introduction of Heritage Impact Assessments, new advice on Historic Assets of Special Local Interest and the inclusion of advice previously obtained in a range of documents.

Sustainable Urban Drainage System (SuDS) Policy

2.20 Schedule 3 of the Flood and Water Management Act 2010 makes SuDS a mandatory requirement on all new developments involving more than one dwelling or building area greater than 100m. Since the 7th January 2019, all new developments of more than 1 dwellinghouse or where the construction area is 100 square metres or more will need to use SuDS for surface water disposal. The SuDS must be designed and built in accordance with the SuDS Statutory Standards (published by the Welsh Ministers) and SuDS schemes must be approved by the local authority acting in its SuDS Approval Body (SAB) role, before construction begins.

Energy: UK Government White Paper (December 2020)

2.21 The White Paper details how an overhaul to transport, energy and infrastructure will provide "massively decarbonised power in the 2030s" and on the road towards net zero by 2050. The White Paper seeks to bring together energy-related policy across a number of sectors (i.e. from energy and the built environment, to transport and the industrial sectors). In addition, it is considering governance issues and is beginning to consider how energy systems and markets need to adapt to achieve the UK's 2050 net zero target. The Paper reinforces the Government's commitment to nuclear energy making it clear that it remains a key part of the national energy strategy. The paper (including any final version) will be a consideration for any future Wylfa Newydd power station scheme.

Building Better Places (July 2020)

2.22 This document sets out the Welsh Government's planning policy priorities to assist in the recovery period following the Covid-19 pandemic crisis. The planning system should be a focus

when considering built natural environment issues that have arisen from the pandemic. The document highlights the existing key planning policies and instruments that should be used by all sectors in the environmental, social, cultural and economic recovery of Wales, recognising the continuing need for Planners to operate within a wider context of priorities and action at all scales.

Natural Resources Policy (August 2017)

2.23 In accordance with the Environment (Wales) Act 2016 the Welsh Government published a Natural Resources Policy (NRP) in August 2017. The focus of the NRP is the sustainable management of Wales' natural resources, to increase their contribution to achieving the aims of the Well-being of Future Generations Act. The NRP identifies three National Priorities: Finding nature-based solutions; increasing renewable energy and more efficient use of resources; and adopting a place-based approach. The NRP also sets the context for Area Statements (which will be produced by Natural Resources Wales), ensuring that the national priorities for the sustainable management of natural resources inform local delivery. Local Planning Authorities will need to have regard to the relevant area statement when preparing an LDP. **Both the North West Area Statement and Marine Area Statement are of relevance to the JLDP area.** The implications of the relevant NRP and Area Statement will be taken into account in the preparation of the Revised Plan.

Prosperity for All: A Low Carbon Wales (March 2019)

2.24 The document sets out Welsh Government's approach to cutting emissions and increasing efficiency in a way that delivers the wider benefits for Wales, ensuring a fairer and healthier society. It sets out policies and proposals aimed at reducing emissions and supporting the growth of the low carbon economy. Particularly important in relation to planning are the targets and policies introduced in the following sectors: power; buildings; transport; industry; land use, land use change and forestry; agriculture; and waste management. The implications of the Plan will be taken into account in the preparation of the Replacement Plan.

Welsh National Marine Plan (November 2019)

2.25 The Welsh Government published Wales' first marine plan in November 2019. It sets out a national policy for the next 20 years for the use of the Welsh marine plan regions inshore and offshore. It has been prepared and adopted under the Marine and Coastal Access Act (MCAA) 2009. **It is noted that the Welsh National Marine Plan (WNMP) area and JLDP area overlap, with the WNMP having influence up to mean high water spring tides.** Applicants should use the ~~Plan~~ **WNMP** and supporting material to formulate proposals and license applications, and by public authorities and others to inform decision making and to understand the Welsh Government's policy for sustainable development in the Plan area.

National Strategy for Flood and Coastal Erosion Risk Management in Wales (October 2020)

2.26 This Strategy replaces the 2011 Strategy. It is prepared under the terms of the Flood and Water Management Act 2010. The Strategy sets out how flood and coastal erosion risks across Wales will be managed. It sets objectives and measures for all partners to work towards over the life of this Plan, which will be 10 years unless significant policy updates are required before that time.

Llwybr Newydd: The Wales Transport Strategy (2021)

2.27 It is the new transport strategy which sets out the vision for how the transport system can help to deliver the priorities for Wales, helping to put us on a pathway to creating a more prosperous, green and equal society. The vision is to create an accessible, sustainable and efficient transport system.

2.28 These are the three headline priorities for the next five years.

- Priority 1: Bring services to people in order to reduce the need to travel;
- Priority 2: Allow people and goods to move easily from door to door by accessible, sustainable and efficient transport services and infrastructure;
- Priority 3: Encourage people to make the change to more sustainable transport.

2.29 As well as setting a strategic direction it is developing nine mini-plans, explaining how delivery will be for different transport modes and sectors.

Active Travel Act Guidance 2021

2.29a This guidance provides important information with regards to how Local Planning Authorities should consider Active Travel Network Maps when preparing Local Development Plans. Active travel Network Maps which are produced by Local Authorities should be used to inform site allocations to ensure that priority is given to sites that can be connected to existing and future travel routes.

Community Infrastructure Levy (CIL)

2.30 In November 2015, the Westminster Government commissioned an independent national review of the Community Infrastructure Levy (CIL) to:

'To assess the extent to which CIL is or is able to provide an effective mechanism for funding infrastructure, and to recommend changes that would improve the way it works to support the Government's wider housing and growth objectives.'

2.31 The review looked at the amount of revenue CIL generates, the types of development that pay CIL, impacts on viability, and how the community aspect of CIL is implemented. The independent review group reported in October 2016 and it was published in February 2017. The report is entitled "A New Approach to Developer Contributions to Ministers". This

recommended changes to the CIL system. As part of the Wales Act 2017, CIL became a devolved matter with powers transferred to the Welsh Government in April 2018.

- 2.32 In this respect, a Transfer of Functions Order is required to allow the Welsh Ministers to modify existing secondary legislation. Thereafter, if the Welsh Ministers consider it appropriate to rewrite the CIL Regulations, then additional legislation may be required to allow this to happen. However, to date this has not been confirmed.
- 2.33 Having regard to the above, it is not clear at this stage how the Welsh Government will wish to deal with CIL, and in particular whether they wish to continue with what is in the current CIL Regulations, or whether they wish to develop specific improvements or abandon it altogether. The Gwynedd and Anglesey Joint Planning Policy Committee decided in September 2018 to defer undertaking the work that would be necessary to implement CIL in the Plan area until there is a clear understanding of CIL's future in Wales. It is also noted in the context of work undertaken regionally for CIL that there is a likelihood that it would not be viable to implement in the Plan area.

Welcome to Wales: Priorities for the visitor economy 2020-2025

2.33a This plan provides clarity on the priorities for Visit Wales, which is the team within Welsh Government that is responsible for the development and promotion of the visitor economy in Wales, and outlines the vision for the future. It is noted that Visit Wales are one of a number of partners with a part to play in delivering these goals.

2.33b It is noted that the ambition is to grow tourism for the good of Wales. This means economic growth that delivers benefits for people and places, including environmental sustainability, social and cultural enrichment and health benefits. The primary goal of the plan is to harness the potential for tourism to improve the wider economic wellbeing of Wales.

The regional context

North Wales Growth Deal Bid

- 2.34 In December 2017 the North Wales Growth Board (a partnership of Local Authorities and wider partners e.g. Higher Education, Further Education and The North Wales Mersey Deeside Business Council) submitted a Growth Deal application to the Welsh and UK Governments for £383m project funding for North Wales.
- 2.35 The proposals will act as a catalyst for a total investment of £1.3 billion in the North Wales economy, a profit of £3.40 for every pound spent. It is expected that over 5,000 jobs could be created from the potential investments within the Growth Deal in the areas of technology and innovation, sites for business, digital connectivity, skills, transport and Business support.
- 2.36 The North Wales Economic Ambition Board has been successful in securing a commitment of £240m from the Welsh and UK Governments.

- 2.37 The Growth Deal agreement was signed in December 2020. Work will now begin on the five programmes that make up the £1bn Deal led by the North Wales Economic Ambition Board.
- 2.38 The JLDP includes provision in its policies and proposals for sustainable development, with the economy an important part of the strategy. The commitment to the Growth Deal and subsequent implications will need to be fully considered during the revision of the Plan to ensure that the potential opportunities arising from it are maximised.

North West Wales Area Statement and the Marine Area Statement - Natural Resources Wales

- 2.39 These Statements ~~is~~ are ~~one~~ two of a series of seven Area Statements that have been prepared for the whole of Wales to help solve a range of complex challenges that society, and the natural environment, now face. These are the two Area Statements that are relevant to the JLDP area.
- 2.40 These Area Statement outlines the key challenges facing the area and the marine area that surrounds it, what can be done to meet those challenges, how our natural resources can be better managed for the benefit of future generations. The Area Statements will be regularly updated and improved year on year in engaging with more people, gathering new evidence, presenting ideas, and working across boundaries to create opportunities.
- 2.41 These Area Statements, together with the other ~~six~~ five statements ~~is~~ are a collaborative response to what is known as the Natural Resources Policy, published by the Welsh Government in 2017, which sets out the main challenges and opportunities for the future sustainable management of Wales' natural resources. The content of the Area Statements is seen as an important source of evidence in the review of the Plan's policies.

The local context

Local Well-being Plans

- 2.42 The Well-being of Future Generations (Wales) Act 2015 requires Councils, as representatives of the Public Services Board, to prepare a Well-being Plan. In May 2017 a Local Well-being Assessment was published for Gwynedd and Anglesey. Having considered the data and the views of people locally, the Board came to a conclusion on the main messages in the assessment. There are 9 main messages.

1. The need to maintain a healthy community spirit.
2. The importance of protecting the natural environment.
3. Understand the impact of demographic changes.
4. Protect and promote the Welsh language.

5. Promote the use of natural resources to improve health and well-being in the long term.
6. Improve transport links to enable access to services and facilities.
7. The need for high quality jobs and affordable homes for local people.
8. The impact of poverty on well-being.
9. Ensure that all children have the opportunity to succeed.

2.43 The Gwynedd and Anglesey Well-being Plan was completed setting out the 9 main messages above. The plan sets out 2 well-being objectives of thriving and long-term prosperous Communities and Healthy and independent Residents with a good standard of life. Six priorities have been identified to achieve both well-being objectives. The Gwynedd and Anglesey Well-being Plan, including any action plan will be monitored to ensure consistency of purpose and content with the JLDP. In this respect, the National Well-being Goals and the Council's Well-being Goals will need to be considered and discussed as part of a consistency analysis with the LDP aims.

North Anglesey Economic Regeneration Plan (April 2019)

2.44 Following economic uncertainty associated with Wylfa and large employers such as Reha coming to an end, the North Anglesey Regeneration Plan was drawn up. The Regeneration Plan sets out a vision for the North Anglesey area and identifies five priority themes for investment by the County Council, its partners and by the Welsh Government. The document sets out a wide range of proposed measures that could benefit the area in the short, medium and long term. The Plan states:-

- Key issues affecting North Anglesey as identified by the community;
- A vision for North Anglesey;
- Five Priority Themes for regeneration; and
- Range of locally identified regeneration projects

Corporate Biodiversity Plan 2021-2022 - Isle of Anglesey County Council

2.45 This Plan has been developed to ensure that environmental benefits arise from the way in which the County Council operates and makes decisions in ensuring compliance with the requirements of section 6 (s6) of the Environment (Wales) Act 2016, namely maintaining and enhancing biodiversity and, in doing so, promoting the resilience of ecosystems, in undertaking its day-to-day activities.

2.46 The aim of Plan is to help maintain and enhance Anglesey's unique Biodiversity features, setting out clear and concise objectives that will be achieved by the Council between 2021 and 2022.

2.47 The Plan follows guidance received from the Welsh Government and considers the objectives of the Nature Recovery Action Plan for Wales (which identifies actions it can dispose of in the short term) setting a direction to remove long-term commitments beyond 2020. The Area

Statement for North West Wales has recently been published by Natural Resources Wales and that Area Statement has been taken into account in the preparation of this Plan.

Interim Housing Strategy 2021 – Isle of Anglesey County Council

2.48 The Interim Housing Strategy 2020-21 was approved by the Executive Committee 25/01/21. The Strategy replaces the previous Housing Strategy 2014-19 and seeks to respond to changes in circumstances. This Interim Strategy is a means of bridging the development of a Housing Strategy which will include the requirements of the Housing Support Grant and homelessness strategy from the Welsh Government. It will also provide information on how Housing Services and partners are responding to and continuing to respond to the coronavirus pandemic.

2.49 The Interim Strategy outlines 6 specific themes, namely:

Theme 1 - Development of the right homes for Anglesey's future

Theme 2 - Making best use of existing housing stock and improving homes and communities

Theme 3 - Preventing a housing crisis and increasing housing options

Theme 4 - Support to promote housing independence

Theme 5 - Homes for longer lives

Theme 6 - The links between housing and the wider economy are fully realised

Gwynedd Council Housing Strategy (2019)

2.50 Gwynedd Council's Housing Strategy was adopted in July 2019. The vision of the Housing Strategy is to:

"Ensure that the people of Gwynedd have access to a suitable, quality home, which is affordable and improves their quality of life."

2.51 The Strategy outlines five objectives that would need to be addressed if the Council is to achieve this vision:

1. No-one homeless in Gwynedd

2. Social housing available to all those who need one

3. Everyone's home in Gwynedd is affordable to them

4. Gwynedd Housing are environmentally friendly

5. Homes have a positive influence on the health and well-being of the people of Gwynedd.

Local Housing Market Assessment 2018-2023 Gwynedd Council (2019)

2.52 Gwynedd Council's Local Housing Market Assessment was published in May 2019. The main message of the assessment is that an additional supply of affordable housing is needed for

Gwynedd communities to what is currently available. Other key findings show that there will be increased demand for affordable housing across Gwynedd in the private ownership, private rental and social rent sectors, which cannot be addressed with the current supply. The LMHA also found that:

- Houses of median value and in the lower quartile are unaffordable for households with a median income;
- The private rental sector has grown substantially in Gwynedd over the past decade;
- Private rental levels are unaffordable for many low income households;
- The demand for social housing continues to be high across the area;
- The demand for one-bedroom social housing is not being addressed through the current stock;
- It is anticipated that the number of households will increase, and their size will decrease over the next decade;
- Long-term empty properties and restricted development sites could provide additional supply for the market;
- Based on population projections, 303 new households will be established every year in Gwynedd for the next five years;
- 707 additional social housing units are needed every year for five years to meet the current demand and the anticipated demand;
- 104 additional intermediate houses are needed every year for five years to meet the current demand and the anticipated demand.

Gwynedd Council Housing Action Plan 2020/21 – 2026/27

2.53 The Action Plan was revised in December 2020. The purpose of the Action Plan is to outline how the Council will seek to address the objectives of Gwynedd Council's Housing Strategy (2019) now and up to 2026/27.

2.54 Over 30 schemes are outlined across the county which will enable the Council to:

- facilitate over 500 new affordable homes for sale or letting to Gwynedd residents including the construction of 100 new house;
- offering loans for 250 local first-time buyers;
- securing over 600 new social housing for Gwynedd including the purchase of 72 former social houses for rent to local people in line with the Council's new local lettings policy;
- extending a grant scheme to bring 250 empty homes back into use across the county;
- investing in environmentally friendly homes such as the innovative scheme currently in place in the Segontium area of Caernarfon;
- the development of 150 living units for homeless people in the county and the creation of 130 new units for vulnerable residents.

- 2.55 In order to deliver the plans, the Council will now reinvest £22.9 million of Council tax premium on second homes until 2026/27, along with other sources of funding including social housing grants and the funding raised through the Council's Asset Management Plan.

World Heritage Site – North West Wales Slate Landscape

- 2.56 The North West Wales Slate Landscape was designated a UNESCO World Heritage Site (WHS) in July 2021. The landscape is the 33rd site of UNESCO World Heritage Sites in the UK, and the fourth in Wales, following Pontcysyllte Aqueduct, Blaenavon Industrial Landscape and Edward I Castles and Town Walls in Gwynedd. An SPG has been prepared by Gwynedd Council and Snowdonia National Park Authority to provide further guidance for decision makers and developers on the important considerations related to the WHS.
- 2.57 A Replacement Plan will need to ensure that appropriate references are made to the WHS together with ensuring that any designations do not compromise the value and special qualities of the designation.

Upcoming plans

- 2.58 While updating the evidence base for the Replacement Plan it is anticipated that the following plans will be implemented or adopted and therefore it will be necessary to ensure that any matters within the documents are considered.
- Anglesey and Gwynedd Destination Management Plans
 - Climate Change Action Plan
 - Gwynedd Regeneration Framework which will include Area Regeneration Plans

Other issues that influence and need consideration

- 2.59 The far-reaching impacts of climate change and extreme weather events are already evident across the Plan area. With the expected impacts set to worsen and be more extreme over the years, the Authorities are committed to trying to respond to the climate change crisis.
- 2.60 In March 2019, Gwynedd Council declared a Climate Change Emergency, with the Isle of Anglesey County Council also declaring a climate change emergency in September 2020. The statements meant that the Councils were committed to trying to respond positively to the challenges facing them now and in the future, and committed to prepare a Climate Change Action Plan to achieve specific objectives. The Aim of the Councils is to ensure that the area remains a vibrant, viable and sustainable home for our children and our children's children for generations to come.

- 2.61 It will be essential to interweave the objectives highlighted in the Climate Change Action Plan within the Replacement Plan to ensure that the Plan is a facilitator in achieving those objectives.
- 2.62 Scottish Power is taking a leading role in delivering an innovative campaign, Carbon Zero Communities. The aim of the campaign is to support local communities to achieve the goal of being net zero. Anglesey is one of the rural communities involved in the campaign. This implications of the campaign will need to be taken into account when preparing the Replacement Plan.

Wylfa Newydd

- 2.63 During the process of drawing up the original Plan there was an intention to develop a new nuclear site (Wylfa Newydd) near the existing Wylfa site on the coastal edge of north Anglesey, after the UK Government declared that it was one of the options as a suitable site to generate nuclear energy. Due to the nature of the intention it would have been an Infrastructure Project of National Importance, which meant the need to submit a Development Consent Order (DCO) in order to receive a planning permission.
- 2.64 In light of the need to plan for a major infrastructure project that was anticipated to be realised during the lifetime of the Plan, there was a requirement to provide a local policy framework that would enable the Authority to respond to the challenges that would arise from the project together and take advantage of the economic and social opportunities.
- 2.65 On the 27th January 2021 the DCO was withdrawn by Horizon Nuclear Power. The application was withdrawn due to the lack of an investor to the project and the lack of a new funding policy from the Government.
- 2.66 In light of the lack of investment/certainty associated with Wylfa Newydd, it is considered that this will be a significant contextual change in the preparation of the Replacement Plan and could have a significant impact on the Plan's growth strategy and instruments compared to the original Plan.
- 2.67 Policy 24 – 'North West Wales and Energy', Future Wales notes that the Government supports North West Wales as a location for new energy developments and investment. Proposed developments associated with the Anglesey Energy Island Programme and Wylfa Newydd are supported in principle as a means of generating significant economic benefits for the area as well as generating renewable or low carbon energy.

National Grid

- 2.68 Associated with the Wylfa Newydd development for a new nuclear power station, the National Grid submitted a DCO on 7 September 2018. This application was part of the North Wales Connections Project to install a 400kV electric connection from the proposed Wylfa Newydd development.
- 2.69 Due to Hitachi's decision to delay with the proposal of developing the new Nuclear Power Station, on 20 February 2019, the National Grid formally withdrew its application for a DCO. Consequently, neither the Examining Authority nor the Planning Inspectorate considered the application.

Covid Pandemic

- 2.70 At the beginning of 2020, the Covid-19 pandemic struck the world. The spread of the virus and the need to protect lives led to restrictions being placed on the lives of Welsh residents. These restrictions meant that there was an order for people to stay at home and only to travel where there was a real need (that is, to work where it was not possible to work from home and to shop for food). Since the strict restrictions came into force in March 2020, there has been a relaxation of the rules over a period of time which has meant that some of the normal (pre-Covid) life activities have been able to continue. The pandemic continues to affect all parts of the world and its aftereffects will inform public discussions and decisions for years to come.
- 2.71 In the wake of the pandemic the ability for people to be working from home has emerged, there has been an increased demand for people to be spending their holidays in Wales (due to travel restrictions) and there is a greater general demand for space outside for people to enjoy, whether it is street space or space around their home that allows people to socialise outdoors safely. The importance of the quality and accessibility of our local areas to people's health and well-being has been highlighted even more during the worst periods of the pandemic.
- 2.72 The pandemic is likely to affect aspects of everyone's lives for years to come and is likely to be leading to a demand for change in the way we live and work. Considering the impact of the pandemic and planning for a future will be an essential part of the process of preparing the Replacement Plan.
- 2.73 The Welsh Government published a document 'COVID-19 Reconstruction: Challenges and Priorities' which sets out the issues that must be responded to as a result of the pandemic. The approach to responding to these challenges has implications for the planning system as people use places differently, travel less and spend more time working from home. The planning system must respond to current and future changes and contribute to sustainable recovery.

Brexit (Port)

- 2.74 Although the short-term effects associated with Brexit are well-known, there is in fact little baseline information/data about the long-term impacts.

- 2.75 As part of the preparation of the Replacement Plan it is likely that it would be beneficial to undertake detailed research to look at the effects of Brexit on the local economy.
- 2.76 One of the obvious effects of Brexit in the short term is the impact on Holyhead Port. The fact that the United Kingdom has left the European Union without an agreement requires additional checks to be carried out on goods that will travel out of the UK before they are allowed into the EU. That meant the need to carry out additional checks on heavy goods that are being transferred from Holyhead to Dublin. It is likely that this procedure will lead to delays, which means that plans are needed in place to tackle the heavy goods vehicles that will wait their turn to travel to Ireland.
- 2.77 The Port of Holyhead is recognised as the Strategic Gateway that facilitates international connectivity in Policy 10 of Futures Wales and Welsh Government are committed to works *with operators, investors and local authorities to support Strategic Gateways and maintain their international connectivity roles*. In accordance with Future Wales in order to maximise the benefit locally, to the region and for Wales, the Revised Plan will have to ensure that it supports the Port of Holyhead.

Phosphate

- 2.78 The JLDP area is characterised by its rich environmental qualities and is home to a number of areas and features designated because of their environmental importance, including Afon Gwyrfai and Afon Glaslyn Special Areas of Conservation (SACs).
- 2.79 Following new evidence on the environmental impacts of phosphate in watercourses, Natural Resources Wales (NRW) has assessed the 9 River SACs in Wales. This assessment based on tighter targets for the water quality of watercourses showed that phosphorus spread was widespread in Welsh SAC rivers with over 60% of water bodies missing the challenging targets.
- 2.80 As a result of this failure, NRW has issued 'planning advice to ensure that environmental capacity does not deteriorate further. This 'advice' relates to all River SACs to which its catchment area extends in the Joint Local Development Plan area including Afon Glaslyn and Afon Gwyrfai.
- 2.81 Consideration of the implications of the guidance received from Natural Resources Wales will be an essential part in formulating the policies in the Replacement Plan together with considering the implications of the guidance on the proposed allocations within the Plan.

Biodiversity

- 2.82 Biodiversity underpins our lives and livelihoods and supports the functioning and resilience of ecosystems in seasoceans, wetlands, lakes, rivers, mountains, forests and agricultural landscapes. Our economy, health and well-being depends on healthy, resilient ecosystems,

which provide us with food, clean water and air, the raw materials and energy for our industries and protect us against hazards, such as flooding and climate change.

- 2.83 Environmental pressures are causing global biodiversity decline at rates not previously encountered in human history and the rate of species extinction is accelerating. Following the industrial revolution the UK has become one of the most nature-depleted countries in the world.
- 2.84 Within the Replacement Plan, due consideration will need to be given to enhancing the resilience of our ecosystems and the benefit that they provide. The National Plan seeks to ensure that the planning system will ensure wildlife is able to thrive in healthy, diverse habitats, both in urban and rural areas, recognising and valuing the multiple benefits to people and nature.
- 2.85 Enhancement of biodiversity, the resilience of ecosystems and the provision of green infrastructure is a key aim of the National Plan, with the introduction of The National Forest of Wales and creating more woodland cover being a means of achieving a resilient ecosystem. **Further, the enhancement and resilience of marine ecosystems is an objective of the Welsh National Marine Plan which stipulates the requirement to maintain and enhance the resilience of marine ecosystems and the benefits they provide in order to meet the needs of present and future generations.**

Household and population projections

- 2.86 In referring to a Housing Requirement within a Development Plan paragraph 4.2.6 of Planning Policy Wales states:

"The latest Welsh Government local authority level Household Projections for Wales, alongside the latest Local Housing Market Assessment (LHMA), and the Well-being Plan for a plan area, will form a fundamental part of the evidence base for development plans. These should be considered together with other key evidence in relation to issues such as what the plan is seeking to achieve, links between homes and jobs, the need for affordable housing, Welsh language considerations, and the deliverability of the plan, in order to identify an appropriate strategy for the delivery of housing in the plan area. Appropriate consideration must also be given to the wider social, economic, environmental and cultural factors in a plan area in order to ensure the creation of sustainable places and cohesive communities."

- 2.87 It must be remembered that household projections estimate the number of households in the future and are based on population projections and assumptions relating to household members and characteristics. Planning authorities will need to assess whether the different elements of the projections are appropriate to their area, and if not, should undertake modelling, based on robust evidence, to identify alternatives.

2.88 Since adopting the Plan the Welsh Government has released population and household projections for 2014 (published in March 2017) and for 2018 (published in August 2020). The key changes to Gwynedd and Anglesey are as follows:

2014-base Projections

- The 2014 population projections show that Gwynedd's population levels will increase from 124,835 to 131,416 between 2021 and 2036, this is an increase of 5.3%. For Anglesey there is a population decline from 70,162 to 68,803 between 2021 and 2036, this is a reduction of 1.9%.
- The 2014 household projections show an increase in Gwynedd from 55,078 to 58,831 between 2021 and 2036 an increase of 6.8%. For Anglesey there is an increase from 31,376 to 31,456, an increase of 0.2%.

2018-base projections

- The 2018 population projections show that Gwynedd's population levels will increase from 124,936 to 130,219 between 2021 and 2036, this is an increase of 4.2%. For Anglesey there is a population decline from 69,879 to 69,468 between 2021 and 2036, this is a reduction of 0.6%.
- The 2018 household projections show an increase in Gwynedd from 55,006 to 58,340 between 2021 and 2036 of an increase of 6.1%. For Anglesey there is an increase from 31,314 to 31,856 an increase of 1.7%.

2.89 The Joint Local Development Plan Preferred Strategy (May 2013) took account of the Welsh Government's 2008-base projections (as well as other growth scenarios). Going forward to the Deposit Plan (2015) the Welsh Government's 2011-base projections were available. The findings of the 2011-base projections for Gwynedd and Anglesey were as follows:

2011-base projections

- The 2011 population projections show that Gwynedd's population levels will increase from 121,523 to 127,557 between 2011 and 2026 this is an increase of 5%. For Anglesey there is a population decline from 69,913 to 69,877 between 2011 and 2026 this is a reduction of 0.1%.
- The 2011 household projections show an increase in Gwynedd from 52,411 to 56,711 between 2011 and 2026 of an increase of 8.2%. For Anglesey there is an increase from 30,655 to 31,541 which is an increase of 2.9%.

2.90 It should be noted that the 2011-base changes is for the period 2011 to 2026 while the latest 2014-and-2018-base figures, highlighted above, are for the period 2021 to 2036. In addition, the above figures are for the whole of Gwynedd, consideration will have to be given to the impact of the part of Gwynedd's population and households that fall within the National Park and therefore not part of the Gwynedd Local Planning Authority Area.

2.91 In line with Planning Policy Wales the Welsh Government's projections will be an important source of evidence when considering the level of growth over the period of the Replacement Plan.

Second homes and short-term holiday accommodation

2.92 Due to the increased demand and provision of holiday accommodation across the Plan area and the impact it is having on the housing market, the Joint Planning Policy Service has led on a piece of work relating to 'Managing the use of Housing as Holiday Homes'. The aim of the research paper was to consider possible options for managing the use of housing as holiday accommodation. This work was brought to the Welsh Government's attention and implored on them to consider and take forward some of the recommendations arising from the work. Following the presentation of the work, further work on the subject has been prepared on behalf of the Government, with a promise that the Government will give further consideration to an ambitious three pronged control mechanism that could be implemented in the future.

2.93 The three-pronged approach will focus on the following:

1. Support – addressing affordability and availability of housing
2. Regulatory framework and system – looking at planning law and introducing a statutory registration scheme for holiday accommodation
3. Fairer contribution - using local and national tax systems to ensure that second home owners make a fair and effective contribution to the communities in which they buy.

2.94 **In autumn 2021 the Government consulted on possible changes to local taxes on second homes and self-catering accommodation. Further following this consultation, a consultation was launched which relates to amendments to the planning system in relation to second homes and self-catering accommodation.** It will be necessary to ensure that any developments in this area are **considered** during the preparation of the Replacement Plan and that consideration is given to how any control mechanism which may be implemented or is intended to be implemented could influence the policies contained within the Replacement Plan.

2.94a Along with the possible changes in relation to the planning and local taxation system, the Government have confirmed that Dwyfor has been chosen as a pilot area. The first phase of the pilot will build on the practical support Welsh Government is already providing to address affordability and availability of housing and will be tailored to suit the needs of people in the area. More details regarding the pilot scheme is expected following the Budget, however in accordance with the Ministers wishes it is expected to look at shared equity schemes, rental solutions and empty homes.

Findings of the Annual Monitoring Reports

- 2.95 In the period since the original Plan was adopted, three Annual Monitoring Reports have been published and submitted to the Government. Annual Monitoring Reports are the main mechanism for assessing the delivery and implementation of the Plan's strategy. The conclusions of the Annual Monitoring Reports set out the Performance of the Plan in accordance with a set of specific indicators which have included in the monitoring framework. Furthermore, any challenges and failures will be highlighted.
- 2.96 Overall the results of the three AMRs indicate that the Plan's policies are performing effectively. However, it is highlighted that significant contextual changes, such as the publication of Future Wales, the global pandemic, Brexit and the withdrawal of Wylfa Newydd Development Consent Order, have occurred since the Plan was adopted and it is therefore recognised that the implications of these issues need to be responded to as part of the preparation of the Replacement Plan. Despite the contextual changes, it is considered that the JLDP policies remain relevant and provide a robust planning framework for determining planning applications across the Plan area. Some of the main conclusions arising from the Annual Monitoring Reports are as follows:-

Overall performance of the Plan

- No policies have been identified as failing to meet the plan's objectives;
- Some of the indicators reported relate to decisions made prior to the adoption of the Plan;
- Since adoption, the Councils have adopted 9 Supplementary Planning Guidance;
- Appeals decisions that have been made since the Plan was adopted have generally supported the Plan's policies and strategy. Appeals decisions do not undermine JLDP policies.

Housing Issues

- Permission has been granted for 1325 new residential units (including applications to reconsider or extend the expiry date of existing permissions) since the Plan was adopted. There were 511 units (38.6%) for affordable housing;
- 476 affordable housing units have been completed since the Plan was adopted;
- The land bank for housing (sites with existing permission) in 2021 in Gwynedd and Anglesey excluding units the LDP identifies as unlikely to be developed during the Plan period was 1,994 units (1451 not started and 543 under construction) of which 512 were for affordable units (397 units not started and 115 units under construction);
- It is noted that 3924 units were completed in the Plan area between the start date 2011 and 2021, while the trajectory in the Plan indicates a figure of 4475 units up to this period. Therefore, this is 12.3% (551 units) lower than the figure in the trajectory. Part of this shortfall arises from the delay in implementing major infrastructure projects in the Plan area. A revised trajectory has been prepared for the remainder of the Plan period on the basis of information to the end of AMR 3 period together with input from the Housing Stakeholder Group;
- Since the Plan was adopted permission has been granted for 5 local market houses, being the only example in Wales of implementing a Local Market Housing Policy;

- 47% of the housing units^[1] granted since the adoption of the Plan are within the Subregional Centre and the Urban Service Centres. 23% of units permitted were within the Local Service Centres with a further 30% permitted in Villages, Clusters and in the Open Countryside;
- In the period since the Plan was adopted, 34.4% of housing units completed in the Joint Local Development Plan area are located on sites allocated for housing;
- The average density of new housing consents in the Plan area (since the Plan was adopted) is 29.5 units per hectare;
- Out of the units granted permission and completed since the adoption of the Plan the percentage of affordable housing is just below 50%.

Other Issues

- 3 Linguistic assessments have been submitted together with 81 linguistic statements. Since the Adoption of the Plan no application contrary to policy PS 1 has been granted;
- One of the strategic objectives of the JLDP is to facilitate diversity in the rural economy, that objective has been successful, with permissions granted for a range of employment uses;
- Planning Permission has been granted for renewable schemes which have the potential to contribute a total of 52.4GWh within the JLDP area.

[1] New permission for housing or permission to reassess and extend the date on which prior permission expires

3 LDP review and possible changes

Strategic objectives and vision

3.1 When the vision for the original Plan was drawn up, it was considered to convey the type of place that the Plan area seeks to be. Together with the strategic objectives the overall context for the Plan is set and shows how economic, social and environmental considerations can be balanced to facilitate sustainable development. The Plan's vision is set out as follows: -

"By 2026, Anglesey and Gwynedd will be recognized for their vibrant and lively communities that celebrate their unique culture, heritage and environment and for being places where people choose to live, work and visit."

3.2 The strategic objectives and vision of the Plan were formulated taking account of national, regional and local policies, plans and programmes together with the evidence base prepared in drawing up the Plan.

3.3 As well as having a vision, there was also a need to develop a number of objectives that list actions that were required to achieve that vision. The strategic spatial objectives define what was desired to be achieved. They show how future developments could help us to realise the spatial vision and address the key issues. They respond to the economic, social and environmental elements of the vision and have informed the development of strategic and detailed policies in the Plan.

3.4 The vision and objectives will need to be re-visited as part of the preparation of the Replacement Plan ensuring that they remain relevant and up-to-date and respond to the challenges and opportunities in the Plan area.

Strategy

3.5 In general the Plan Strategy responds to the evidenced need to make provision for new homes and jobs as well as to protect the unique social, cultural and environmental character of the area. It provides for land uses required for a specified period of time, facilitating alternative policy-compliant legacy uses in the long term. It sets a level of growth that is considered to represent the most robust, balanced and appropriate approach, given all relevant factors, including work undertaken by housing forecasts and economic forecasts.

3.6 The Plan area has a dispersed settlement pattern of towns, villages and other groups of buildings, and high levels of private car use, so the need to reduce greenhouse gas and carbon emissions is challenging. The evidence refers to five broad categories of settlements within the Plan area, as reflected in the spatial element of the Plan Vision. These are;

- i. Subregional Centre
- ii. Urban Service Centres

- iii. Local Service Centres
- iv. Villages
- v. Clusters

- 3.7 In order to respond to the opportunities and challenges of the area and to achieve the overall Vision and Objectives of the Plan, the above spatial strategy for the distribution of development across the Plan area has been adopted. It ensures that development is directed to locations that are sustainable in terms of size, function, character, facilities, transport links, social and environmental capacity. It supports the use of policies that encourage the most appropriate level of development for all settlements.
- 3.8 There is an emphasis and duty to ensure that the Spatial Strategy of the Plan achieves sustainable development objectives. When preparing the Replacement Plan, it will be essential to ensure that the growth strategy caters for the needs of the area, whilst achieving the aim of promoting development in the most sustainable locations for alternative transport services and links and protecting the Welsh heritage values of the area.

Plan Policies

Section 6.1 - Growth Management and Development – Safe, Healthy, Distinctive and Vibrant Communities

Welsh language and culture

- 3.9 Policy PS 1 (Welsh Language and Culture) provides guidance on the requirement for planning applications in the area to give consideration to promoting and supporting the Welsh language.
- 3.10 PPW (2021) states that planning authorities must consider the likely effects of its development plans on the use of the Welsh language as part of the Sustainability Appraisal. It highlights that policies and decisions should not introduce any element of discrimination between individuals based on their linguistic ability, and should not seek to control housing tenure on linguistic grounds. Paragraph 3.29 states that language impact assessments may be carried out in relation to major developments not identified in a development plan proposed in areas of particular sensitivity or importance to the language.
- 3.11 The Plan recognises that the Welsh language is part of the social and cultural fabric of the whole Plan area. Where there is an intention to develop, consideration must be given to improving and protecting the language and culture and maintaining existing communities is key to this. A Welsh Language Impact Assessment informing the Sustainability Appraisal was prepared for the Plan. This linguistic assessment considered the suitability of the indicative housing supply to individual Centres and Villages. Policy PS 1 states that a Statement may be requested where a development individually or cumulatively provides more than the indicative housing provision for the settlement. The review will need to re-consider the Strategy and/or the distribution of

housing growth within the Plan, and this will also require a review of the current suitability and form of policy PS 1.

- 3.12 Supplementary Planning Guidance has been adopted: Maintaining and creating distinctive and sustainable communities that provide a specific methodology on preparing an Welsh Language Assessment or Statement. The AMRs have monitored how many Welsh Language Statements and Assessments have been submitted since the Plan was adopted. In this period 3 Welsh Language Impact Assessments have been presented together with 81 Welsh Language Statements. The AMR reports on the number of planning permissions where Welsh language mitigation measures are required with a trigger level being when one application is granted contrary to Policy PS 1. To date no application contrary to policy PS 1 has been granted. Any changes to Policy PS1 following the review will also result in the need to review the SPG.

Infrastructure and Developer Contributions

- 3.13 Strategic Policy PS 2 (Infrastructure and Developer Contributions) aims to ensure sufficient provision of essential infrastructure is either already available or provided in a timely manner. This overarching policy is supported by more detailed policies relating to infrastructure provision.
- 3.14 The policies relating to infrastructure and developer contributions in the JLDP are generally consistent with the latest edition of Planning Policy Wales (Ed. 11, 2021). It is considered that the existing policies in the Plan reflect the requirements outlined in the updated PPW as well as the Welsh Government Guidance set out in the "Building Better Places" guidance. Both the updated PPW and Future Wales place a focus on new types of infrastructure, including electric vehicle charging infrastructure, digital infrastructure, and mobile telecommunications. While the JLDP includes guidance on digital infrastructure and mobile telecommunications, the inclusion of guidance/policies relating to electric vehicle charging infrastructure will need to be considered during the review.
- 3.15 Overall, the performance of the indicators that relate to the Plan's infrastructure policies are performing well, meaning that it is considered that the relevant policies are continuing to be implemented effectively. No planning applications have been approved where they are contrary to the policies relating to infrastructure since the Plan's adoption. The target to prevent developments from being approved where there is insufficient infrastructure in any one year is therefore being met. In addition, no developments have been approved contrary to Plan policies which led to a loss of viable community facilities. Supplementary Planning guidance on Planning Obligations was adopted in September 2019 and aims to ensure that developments contribute toward the provision of the necessary infrastructure and measures required to mitigate their impact. It also aims to provide clarity to developers, agents and other stakeholders regarding the basis on which planning obligations will be secured.
- 3.16 The evidence base which informed the formulation of these policies will be re-assessed as part of the review process. As part of the review, an assessment of infrastructure provision and needs will be undertaken to identify the capacity and availability of existing and planned infrastructure.

The need for further clarification and guidance around the infrastructure policies (ISA 1, ISA2, and ISA3) to assist in the decision making process has been identified.

Open Spaces

- 3.17 The JLDP has adopted the Fields in Trust standard of 2.4 hectares of recreational open space per 1000 population to meet the objective of increasing opportunities for people to participate in active and healthy communities.
- 3.18 Future Wales, Planning Policy Wales and Building Better Places recognise the importance of creating places and the value of public open spaces in our cities, towns and villages.
- 3.19 The AMR has not identified any issues with the implementation of the open space policy in relation to the protection of existing public open spaces, in securing the provision of new open spaces or a financial contribution in relation to new residential developments.
- 3.20 It is foreseen that the Open Space Assessment will need to be updated during the preparation of the Replacement Plan to ensure that it is correct and includes updated information in relation to the provision.

Information and Communication Technology

- 3.21 Presently there is a strategic policy (PS 3) which states support for information and communications technology developments subject to appropriate protection measures and that new overhead wires are placed underground if it does not have an impact on other interests. In line with the guidance in Planning Policy Wales (PPW) at the time of the preparation of the JLDP the national development management policy on telecommunications systems was not repeated within the plan rather there was a cross-reference to them.
- 3.22 PPW (Edition 11 February 2021) outlines the Government's support for electronic communications infrastructure particularly given an increase in working from home. There should be proactive but thoughtful planning to protect the character of particular areas. Development plans should outline policies based on criteria to guide development to suitable locations. Policy 14 in Future Wales supports increased mobile phone provision. The Government will identify Mobile Telecommunications Operating Zones where there is a poor service presently with a commitment for government, planning authorities and telecommunications operators to work together to improve the service in such locations.
- 3.23 In light of the change within PPW and the publication of Future Wales it will be necessary to amend this part of the Plan taking into account future needs within the Plan area and to prepare a criteria based policy for guiding developments to suitable locations.

Sustainable transport, development and accessibility

- 3.24 Policy PS 4 (Sustainable Transport, Development and Accessibility) supports transport improvements that maximise accessibility particularly by foot, bike and public transport; policy TRA 1 (Transport Network Developments) which includes criteria for improvements to the transport network, highlights the type of developments that will be supported for transfer

between different modes of transport, when transport assessments will be required with applications and highlighting transport plans for protection; policy TRA 2 (Parking standards) stating that parking provision should be in accordance with the Council Parking Standards; TRA 3 (Protection of Disused Railways) a policy rejecting proposals which prevents the possibility of re-opening the infrastructure of old or disused railways for rail or alternative transport purposes; policy TRA 4 (Transport Impact Management) is the most sustainable means of transport.

- 3.25 PPW (2021), as the PPW in existence when the Plan was prepared, continues to support the reduction of private car travel by promoting more journeys by foot, bike and public transport. There is a sustainable transport hierarchy which now includes a reference to very low emission vehicles and it is known that they have an important role to play in decarbonising transport especially in rural areas that lack public transport services. The planning system is encouraged to support the development of charging points as part of new developments. Future Wales sets out the requirements for the provision of electric vehicle charging points for non-residential developments. Parking spaces within new developments should reflect the local context. A Transport Assessment must be carried out with planning applications for developments falling within the categories set out in TAN 18. Future Wales includes International, National and Regional Connectivity policies (Policies 10 to 12) this complements the guidance in PPW (2021) and also refers to the development of the North Wales metro which is a new integrated transport system that provides a more frequent and faster unified service using trains, buses and light rail. In 2021 the Welsh Government has published 'A New Route: The Wales Transport Strategy' and 'Electric vehicle charging strategy for Wales'. The Government announced in June 2021 that they are freezing new road projects while a review takes place.
- 3.26 The Replacement Plan should take account of the contextual changes within National policy and guidance highlighted above to ensure that these will be in compliance with transport policies in the Plan.

Section 6.2 - Growth Management and Development - Sustainable living

Sustainable Development and Climate Change

- 3.27 Strategic Policy PS 5 (Sustainable Development) is an overarching policy that aims to ensure that development is consistent with the principles of sustainable development. The aim of Strategic Policy PS 6 (Alleviating and Adapting to the Effects of Climate Change) is to ensure that all development considers the impact on climate change. Climate change continues to be an ever pressing issue since the adoption of the JLDP with effects and implications becoming more evident as time passes.
- 3.28 Future Wales re-affirms the importance of climate change, stating that both the FW and PPW aim to ensure that the planning system focuss on delivering a decarbonised and resilient Wales

by "driving sustainable growth and combating climate change by guiding strategic development over the next 20 years".

- 3.29 Consideration should also be given to the implications of the Sustainable Urban Drainage System Policy (January 2019), where all new developments of more than 1 dwelling house or where the construction area is 100 square metres or more will require sustainable drainage systems (SuDS) for surface water. In addition Low Carbon Wales (March 2019) sets out the Welsh Government's approach to cut emissions and increase efficiency in a way that maximises wider benefits for Wales, ensuring a fairer and healthier society. It sets out policies and proposals that are intended to reduce emissions and support the growth of the low carbon economy. Consideration should be given to modifying relevant policies so that they are aligned with the above documents.
- 3.30 Overall, the performance of the Plan's indicators that relate to Policy PS 6 are performing well meaning that it is considered that the relevant policies are being implemented effectively. The main issue identified in the AMRs relates to indicator D21 where the targets of 50% renewable energy potential being delivered by 2021 have not been achieved. A review of the Plan could identify barriers in certain renewable sectors and provide a more feasible potential target in any amended Plan. Monitoring for the flood risk policies shows that only one application for highly vulnerable development has been permitted in flood zone C2 since the Plan's adoption (conversion of a chapel into a dwelling). This planning application was granted by the Planning Committee is contrary to official recommendation. It is also noted that full planning applications were permitted on sites that were wholly/partly within a C1 flood zone; as part of the process of assessing the planning applications information was collected regarding the compliance of the planning applications with the tests contained in Technical Guidance Note 15 (Flooding); it was determined that they complied with the requirement of the tests set out in TAN 15. It is noted that the emerging revised TAN 15 will need to be considered as part of the Plan process.
- 3.31 Policy PCYFF 1 (Development Boundaries) sets out the difference between dealing with applications within the development boundary and those outside; PCYFF 2 (Development Criteria) a policy highlighting priority criteria that are not greeted elsewhere in the Plan; PCYFF 3 (Site Design and Shaping) and PCYFF 4 (Design and Landscaping) highlight design considerations that should be met with development; policy PCYFF 5 (Carbon Management) which expects developments to demonstrate how a contribution of renewable or low carbon energy technology has been addressed to meet the requirements of the electricity and heat proposal; policy PCYFF 6 (Water Conservation) which ensures that proposals include water conservation measures where practicable.
- 3.32 These are general issues that are considered for the vast majority of planning applications. Any changes within national and local policy and guidance in these areas as well as the suitability of existing policies will have to be reviewed in a Replacement Plan.

Renewable Technology

- 3.33 The Strategic Policy (PS 1) and Policies ADN 1 (Onshore Wind Energy), ADN 2 (Solar PV Energy) and ADN 3 (Other Renewable and Low Carbon Energy Technology) seek to ensure that the area fulfils its potential as a lead area for initiatives based on renewable or low carbon technologies as well as balancing the impact of renewable energy developments on the environment and communities.
- 3.34 The wind turbine typology supported within policy ADN 1 is based on the findings of the Landscape Capacity and Sensitivity Study in the Plan area. In line with the Welsh Government's Planning for Renewable and Low Carbon Energy - A Handbook for Planners (2015) the Plan identified potential opportunity sites for solar PV farms of 5MW or more.
- 3.35 In the Welsh Government's National Development Framework (NDF) (Draft) (2019) there were priority Areas for solar and wind identified within the Plan area. When Future Wales (2021) was published these had been taken out. The NDF Consultation Report (September 2020) explains that some of the wind priority areas have been refined following concerns from the Ministry of Defence that it wanted to protect its estate and strategic training areas. For solar priority areas the solar industry identified the need for flexibility in the policy position because in their opinion, solar is more agile in responding to grid capacity and because applications for solar farms do not have as much impact on the wider landscape as wind turbines. The Welsh Government accepted this and decided to remove the areas identified for solar development from the NDF.
- 3.36 With the adoption of Future Wales in 2021 and the publication of a revised PPW to reflect this, TAN 8 'Planning for Renewable Energy' has been replaced.
- 3.37 PPW (2021) includes an energy hierarchy and targets for renewable energy generation. The planning system is expected to make an active contribution to help secure the delivery of these targets in terms of new renewable energy generation capacity and promote energy efficiency measures in buildings. All onshore wind applications of 10MW or more and all other energy generating sites of between 10 and 350MW are major developments and are submitted directly to the Welsh Ministers under the Development of National Significance (DNS) process and are considered under Future Wales policies.
- 3.38 Paragraph 5.9.14 of PPW (2021) states that planning authorities should assess the opportunities for renewable and low carbon energy in their area and use the evidence to establish spatial policies in their development plan, which identify the most appropriate locations for energy development below 10MW.
- 3.39 Indicator D21 sets targets for greening the potential renewable energy resources identified in the Plan. It was expected that 50% of this of 1,113.35 GWh for electricity and 23.65 GWh for heat would have been covered by 2021. However, up to 2021, only 52.4 GWh for electricity and no GWh for heat has been prepared.

- 3.40 In terms of onshore wind there have been no significant new sites proposed since the Plan was adopted. There is an existing application to extend permission on an existing windfarm on Anglesey. For solar farms potential opportunity sites have been identified, however applications that have been granted permission such as Rhyd y Groes Rhosgoch (49.99MW) and recent pre-application enquiries have all been located outside these potential opportunity sites. The evidence with these intentions highlights the importance of access to capacity on the national grid as a key factor for site selection and that an element of these sites contains high quality agricultural land. High quality agricultural land was one reason why some areas were not identified as potential sites of opportunity in the Plan.
- 3.41 Existing policies relating to renewable energy will have to be amended to reflect the National contextual changes that have taken place since the Plan was adopted.

Managing coastal change

- 3.42 Following the publication of revised versions of Planning Policy Wales (Edition 10 in 2018 and then Edition 11 in 2021), there is now national planning policy guidance included in relation to the relevance of Shoreline Management Plans to Local Development Plans.
- 3.43 Planning Policy Wales (Edition 11, 2021) states that Shoreline Management Plans set out long-term local policy frameworks for coastal risk management. It is highlighted that the priorities contained in the Shoreline Management Plan should influence and inform the preparation of development plans. In those circumstances where it is clearly stated that coastal defences will no longer be maintained, development plans should include clear and specific policies to manage development in such areas, including where they feel that development would be unsuitable or that specific features should be taken into account.
- 3.44 Furthermore, in October 2019 the Welsh Government consulted on a revised version of Technical Advice Note (TAN) 15: Development, flooding and coastal erosion. The revised version of the TAN covers guidance on coastal erosion and flooding in the same document. The draft TAN 15 of the guidance supports the guidance included in Planning Policy Wales and emphasises the need to use the evidence contained in the Shoreline Management Plan when formulating, considering spatial strategy and potential development sites in the relevant Development Plan.
- 3.45 In October 2020 the Welsh Government published the new National Strategy for Flood and Coastal Erosion Risk Management in Wales. The Strategy sets out the long-term policies for flood management, as well as the measures that organisations such as Natural Resources Wales, local authorities and water companies will implement over the next decade to improve the way they plan, prepare and adapt to climate change over the century, including taking account of the guidance contained within the Shoreline Management Plan.
- 3.46 No review of the Shoreline Management Plan (SMP) 2 has taken place in the period since the adoption of the JLDP **but a refresh project and health check is currently being undertaken. Any changes to the SMP following the refresh project will be an important part of the Replacement Plan's evidence base to inform any future policies.** ~~and the guidance contained in that~~

~~document which influenced the current JLDP is therefore still of relevance.~~ However, as noted above, there is now a greater emphasis on Local Authorities to be incorporating and acting on the guidance contained in the Shoreline Management Plan, it will therefore be appropriate to ensure that the relevant Policy contained in the JLDP (Policy ARNA 1: Coastal Change Management Area) is aligned with the National Planning Policy guidance.

Section 6.3 - Growth Management and Development – Economy and Regeneration

Infrastructure projects of national importance and related developments

3.47 During the preparation and adoption of the JLDP there were two Nationally Significant Infrastructure Projects (NSIPs) underway, namely: -

- Construction of a new nuclear power station near Wylfa (Wylfa Newydd);
- Proposal by National Grid to undertake improvements / new works to the National Grid Connection Lines which would link the Wylfa Newydd site to a headland substation and beyond.

3.48 It was considered important to ensure that the Plan set a clear policy framework to assist the Councils in addressing and responding to the NSIP proposals. Therefore, a range of policies relating to the NSIP were included together with policies for related developments within the Plan.

3.49 Section 43 of the Wales Act 2017 published on 1st April 2018 now allows related development to be included within the Development Consent Order (DCO). As a result of the legislative change since the preparation and adoption of the JLDP the LPA would no longer be the determining authority in relation to relevant applications. As a result of this legislative change, some of the policies contained within the Plan are either partially or wholly unnecessary (Strategic Policy 9 to Strategic Policy 12).

3.50 Horizon submitted a Development Consent Order (DCO) application for the development of a nuclear power station (Wylfa Newydd) on the 1st of June, 2018. The application was subject to examination by a Panel of Planning Inspectors, appointed by the Secretary of State for the Ministry of Housing, Communities and Local Government. The Public Inspection ended (closed) on 23rd April 2019. At the end of the inspection, the Panel had 3 months to report to the Secretary of State for Business, Energy and Industrial Strategy outlining their conclusions and recommendation on whether to grant permission for the intention, with the final decision to be made by the Secretary of State on or before 23 October 2019 (6 months after the examination deadline).

3.51 The decision-making date was re-set to 31 March 2020 to allow further information on environmental impacts and other outstanding issues to be received.

- 3.52 Following the restrictions relating to the Covid-19 pandemic it was decided by the Secretary of State to reassign the statutory deadline for this application to 30 September 2020, as parliament was not sitting. It was intended that a statement confirming the new deadline for a decision would be made to the House of Commons and the House of Lords in accordance with section 107(7) of the Planning Act 2008 as soon as possible after the resumption of Parliament.
- 3.53 On the 22nd September, 28th September and 18th December 2020 Horizon sent correspondence to the Secretary of State requesting a postponement to the decision of Wylfa Newydd Development Consent Order (DCO). It was noted that the reason for asking to postpone the decision was due to ongoing discussions with a third party who had expressed an interest in proceeding with the development of a new nuclear power station following Hitachi's withdrawal. On the 27th January 2021 the Development Consent Order was withdrawn by Horizon Nuclear Power. The application was withdrawn due to the lack of an investor to the project and the lack of a new funding policy from the Government. As such it meant that Hitachi had decided to wind up Horizon as an operational development entity by 31 March 2021.
- 3.54 Linked to the Wylfa Newydd development for a new nuclear power station, National Grid submitted a Development Consent Order application on 7 September, 2018. This application was part of the Connecting North Wales Project for the installation of a 400kV electrical connection from the proposed Wylfa Newydd development.
- 3.55 Due to Hitachi's decision to delay the proposed development of the New Nuclear Power Station, on February 20, 2019 National Grid formally withdrew its application for an DCO. As a result, neither the Examining Authority nor the Planning Inspectorate gave further consideration to the application.
- 3.56 Due to the circumstances set out above, there is now uncertainty about the future of Wylfa Newydd due to the lack of developer and investment. It is considered appropriate to undertake a full review of the policies within the Plan relating to an Nationally Significant Infrastructure Projects. Further, there is also a need to re-visit the Plan Strategy which partly responded to the opportunities and demand that would result from the realisation of developments of national significance.
- 3.57 In line with the guidance contained in Future Wales: The National Plan 2040, the Welsh Government supports the North West Nuclear Arc initiative which is a shared vision (with the UK Government, universities and the National Nuclear Laboratory) to deliver the positive impacts that the nuclear sector could have in terms of investment, skills and training. It is noted that the 'Anglesey Energy Island' programme also seeks to co-ordinate action in relation to new energy developments to ensure maximum benefits for the area. It will be necessary to ensure that the Replacement Plan includes policies that will facilitate the vision within Future Wales and the Energy Island Projects.
- 3.58 During the preparation of the Replacement Plan, it will be necessary to take into consideration any changes associated with Wylfa Newydd, ensuring that the Plan is able to respond to those

changes as necessary. The Replacement Plan will need to reflect the objectives and vision of Future Wales, the Energy Island Programme and the Isle of Anglesey County Council in relation to energy developments in order to influence and maximise the benefit to the area.

Providing Opportunities for a prosperous Economy

- 3.59 One of the main objectives of the Plan was to facilitate the strategies of both Councils to grow and diversify the economy of the Plan area. The policy framework was informed by the Employment Land Review (2014) undertaken to assess current employment sites located in local authorities and project the future requirement for employment land during the plan period.
- 3.60 Performance indicators in the AMR have assessed the effectiveness of the safeguarded and allocated employment land. In terms of safeguarded employment sites, the indicators showed that although the policies were effective in protecting the sites from non-B1 (Business), B2 (General industrial) and B8 (Storage and Distribution), the rate of planning permission for new employment use was lower than expected. Similarly, the performance indicator in relation to allocated sites showed that the total allowable employment land fell below the cumulative requirement set out in the policy target. The Plan is a facilitator in the provision of employment site. Further, the Plan's policies ensure that employment developments are located in the most appropriate/suitable locations. It must be emphasised that the economic climate (i.e. impact of Wylfa Newydd, Brexit, Covid pandemic) is significantly different from when the Plan was adopted and this is considered to have had a significant impact on the number of employment land that has been taken up.
- 3.61 The effectiveness of the Plan's policy in relation to rural diversification (CYF 6) was also monitored in the AMR. This indicator suggests that the policy has been effectively implemented to approve new small-scale business applications and, therefore, contribute to ensuring economic prosperity and employment opportunities in rural areas.
- 3.62 As part of the preparation of the Replacement Plan, a new Employment Land Review study will be required and this will need to consider the impact of Brexit, Covid and the current situation (at the time) relating to the future of Wylfa Newydd. The Employment Land Review will also need to take account of Future Wales objectives for the Plan area.

Visitor Economy

- 3.63 The tourism policies in the plan seek to support the development of an all year round tourism industry, whilst balancing its impact on local communities (**including language and culture**) and the economy and ensuring that the natural, built and historic environment is protected.
- 3.64 PPW recognises that the role of tourism is vital to economic prosperity and job creation in many places in Wales, and requires plans to provide a framework to maintain and develop high quality, well-located tourism facilities. Future Wales recognises the importance of the tourism sector to the north Wales economy, and the importance of opportunities to support coastal

destinations, former industrial sites such as quarries and attractions, and new outdoor and active facilities.

- 3.65 The AMR has not identified any issues related to the implementation of tourism policies, and no action has been identified. However, general concerns were raised about issues that do not form part of any specific indicators relating to the provision of self-catering holiday accommodation and temporary/permanent caravan sites.
- 3.66 The Covid-19 pandemic and Brexit have seen an increase in the number of people choosing to stay for holidays in their own country ('staycation') rather than travelling abroad. As a result, there has been an increase in demand for self-catering holiday accommodation in the plan area, which has also put a strain on the local housing market, with a number of houses in the traditional tourist areas having been bought as second homes. This has led to tensions between the tourism sector and the local community as a result of the huge increase in the number of tourists visiting parts of the plan area.
- 3.67 Policy TWR 2 (Holiday Accommodation) addresses the issue of overprovision of self-contained holiday accommodation in some communities and the adopted Tourism Facilities and Accommodation SPG sets a threshold for overprovision, and has offered further guidance on the issue.
- 3.68 The Joint Planning Policy Service has recently undertaken research "Managing the use of a dwelling as holiday homes" to gain a better understanding of the issue. This research along with other relevant research will need to be used as evidence in reviewing the policies to help address the changes and impacts on the sector.
- 3.69 Alternative camping accommodation ('glamping') is an evolving industry, with new forms of accommodation available on the market. Camping without travelling long distances is seen as a cheaper option than other types of holiday accommodation, and many existing sites can be in prominent locations along the coast and in the open countryside. Policies TWR 3 (Static Caravan, Chalets and Permanent Alternative Camping Accommodation Sites) and TWR 5 (Touring Caravan, Camping and Temporary Camping Accommodation Sites) allow improvements to existing sites, and seek to encourage new development of high quality in terms of scale, design, layout and appearance in the landscape.
- 3.70 The camping policies in the Plan will need to be reviewed, and give consideration to community **(including language and culture)** and environmental issues and the requirements of the camping sector. The Landscape Sensitivity and Capacity Study (2014) may need to be reviewed to inform the policies in the new plan.
- 3.71 During the preparation of the Replacement Plan, it is considered necessary to review the policies in the JLDP relating to tourism to ensure that they remain relevant and comply with the relevant planning policy context and contextual changes, along with considering the content of Destination Management Plans (Anglesey and Gwynedd) and any other related strategies.

Town Centres and Retail Developments

- 3.72 Strategic policy PS12 (Town Centres and Retail) and MAN 1 (Proposed Town Centre Developments), MAN 2 (Principal Retail Areas) and MAN 3 (Retail Outside Defined Town Centres but within Development Boundaries) seek to protect, enhance and support town centres/retail centres across the plan area, and policies MAN 4 (Protection of Shops and Pubs in Villages), MAN 5 (New Village Retail Developments) and MAN 6 (Rural Retail) seek to provide small scale retail opportunities in rural areas.
- 3.73 Future Wales contains policies that seek to support urban centres and ensure that significant developments are located within town and city centres, and PPW promotes retail and commercial centres as the most suitable location for a range of activities additional to retail services. The emphasis on place-making in PPW is also significant in change management and in the development of retail and commercial centres.
- 3.74 The evidence base that contributes to the development of the plan's policies includes the Retail Study and the Retail Topic Paper. In the years since these documents were prepared (2013/14), the retail climate has changed significantly with the increasing growth in online shopping and the Covid-19 pandemic which has contributed to the closure of a significant number of major national and local retail and commercial businesses. Building Better Places – Creating Places and the Covid-19 Recovery (July 2020) calls on the planning system to respond to this situation by ensuring our retail and commercial centres can operate as flexibly as possible.
- 3.75 The JLDP establishes a retail hierarchy and the Retail Study identifies an additional need for:
- 7913m² of the floor area of comparison goods in Bangor
 - 200m² of convenient goods floor area and 176m² of comparison goods area in Caernarfon
 - 172m² of convenient goods floor area and 772m² of comparison goods area in Pwllheli
 - 492m² of convenient goods floor area in Llangefni.
- 3.76 Although the Annual Monitoring Reports (AMR) have not identified any specific issues with the implementation of retail policy, since the adoption of the JLDP, the number of planning applications for new retail use (A1 - Shops) in Bangor, Llangefni and Pwllheli has been relatively low; indeed, it is applications to change of use from A1 (Shops) use to other uses, such as A2 (Financial and Professional Services), A3 (Food and Drink) or C3 (Housing) that are submitted. Due to a lack of progress and pressure for A1 developments in these particular retail centres, the demand for retail developments appears not to be in line with the conclusions of the Retail Study. As a result of the contextual changes, during the progression of the Plan review, it is likely that a new Retail Study will be required to determine whether the conclusions of the previous study (2013) remain relevant.
- 3.77 In developing a revised evidence base other issues should be considered, such as changing the overall focus of the subject to focus on retail and commercial developments and the notion of place making, in line with more recent national policy and guidance.

Section 6.4 - Growth Management and Development – Housing Supply and Quality

Housing Scale

- 3.78 The Plan has identified a growth level of 7,184 residential units in the period 2011-26. The basis for this figure was set out in Topic Paper 4 'Describing Housing Growth'. The figure is based on demographic, social, environmental and economic considerations alongside factors in relation to the requirements of national policies and practical aspects such as the capacity of settlements to accommodate the growth.
- 3.79 Information from the Annual Monitoring Reports shows that annual and cumulative housing provision has consistently fallen below the target figures set out in the Joint Local Development Plan. By the end of the AMR 3 period (2020/21) there were 551 fewer units completed compared to the figure projected in the adopted Plan housing trajectory (-12.3%) or 866 fewer units if compared to the average annual development rate (-18.0%).
- 3.80 The annual development level has not met the corresponding figure in the housing trajectory in any year since the Plan was adopted and has only met the average development figure once (in 2018/19). ~~It is therefore considered that the growth figure needs to be re-looked at to consider its suitability and also review the method of establishing this figure.~~ Consideration should be given to whether the rationale and the different elements involved in the establishment of the growth figure remain suitable and also assess if there are new aspects that also need to be considered. It is important to undertake this work in the context of the requirements of the Development Plan Manual (Edition 3, March 2020) and PPW (ed 11, Feb 2021), in terms of considering matters such as, for example, the latest population and household projections, past development rates, migration patterns and considerations in relation to the Welsh language. It will also be important to consider the influence of the Strategic Development Plan for the North Wales region as a hub in Future Wales.
- 3.81 The process of revising the plan provides an opportunity to re-look at the most appropriate levels of growth therefore taking into account the associated factors. The level of growth is a vital core element of the Plan's overall strategy. In reviewing the growth figure and housing strategy it will be vital to consider the impact of Brexit and the Covid-19 pandemic. Another aspect that will have to be considered is the uncertainty in relation to the future of Wylfa Newydd following the withdrawal of the Development Consent Order Application.

Housing Location

- 3.82 The Annual Monitoring Reports have not highlighted problems relating to the distribution of growth between the different tiers of the Plan. However, the Replacement Plan will need to consider how the proposed growth can be effectively distributed on the basis of the settlement strategy. The proposed growth in all relevant settlements will need to be considered on the basis of any revision to the Plan's growth figure and also in terms of the Plan's strategy. Some settlements have already reached their level of growth and the Replacement Plan needs to take account of the apportionment of housing between the different settlements. It is believed in this regard that the way in which different settlements have been categorised should also be re-looked at to ensure that the housing growth there fits effectively with the Plan's strategy. It

is likely that the position within some individual settlements has changed since the Plan was adopted in terms of the facilities and services that are evident in them. It will therefore be necessary to re-consider the information highlighted in Topic Paper 5, 'Developing the Settlement Strategy' to ensure that specific settlements receive sustainable housing growth.

- 3.83 As well as considering the distribution of housing by settlement, it is considered that the Replacement Plan also needs to consider the delivery of new housing. It will be necessary to ensure that the growth is achieved in a sustainable way that is in line with the Plan's strategy. This would mean greater certainty in terms of delivering the growth in a way that would maintain and promote linguistic, social, economic and environmental aspects.
- 3.84 One aspect that the Replacement Plan will have to consider is the suitability of housing allocations to meet a proportion of the growth figure. Information for the period up to the end of 2020/21 highlights that 655 fewer units (-44.6%) were completed on housing designations than were expected in line with the housing trajectory while 300 more units (+21.5%) were developed on large windfall sites (5+ units) compared to the figure in the trajectory. Please also note that by the end of AMR 3 planning permission did not exist for 30 of the 69 housing allocations in the Plan. Work in relation to the housing trajectory in Annual Monitoring Report 3 envisages that 930 units on designated sites would be developed following the end of the Plan period (i.e. after 2026). Whilst a delay is expected between site designation and development, consideration must be given to the suitability of existing housing allocations. As set out in the Development Plan Manual (Edition 3, March 2020) careful justification will be required to include designations carried forward from a previous plan in a revised plan. It is noted that a significant change in circumstances will be required to demonstrate that sites can be achieved and justify their inclusion again. Robust evidence will be required that such sites can be achieved.
- 3.85 It will be important to consider the best possible locations for the housing allocations in terms of availability, viability and also ensuring that they comply with the Plan's strategy and other planning considerations. Designations in the Plan should not be retained if there isn't evidence which shows that they are considered suitable in terms of meeting an element of the growth figure. Updating the Urban Capacity Assessment will be important when considering the windfall provision to accompany the housing allocations.

Local Market Housing

- 3.86 Permission has been granted for 5 local market units with 1 such unit completed during 2019/20 (information to end of AMR period 3). Please note that Policy TAI 5 in relation to Local Market Housing introduced an entirely new policy principle which was not evident in previous development plans. On this basis it is believed that a time delay continues between the adoption of the JLDP, the acceptance of a policy principle that is completely new in the relevant settlements and then the construction of such housing. Whilst it is considered important to maintain the policy in order to meet the needs of the relevant communities, consideration will

need to be given to whether any detail in the policy needs to be changed to promote consents and further development.

- 3.87 In terms of specific housing policies it will be important to re-examine the evidence underlying Policy TAI 5 (Local Market Housing) to consider the breadth of the area for which the policy relates. This evidence will include, for example, affordability ratio, percentage of people priced out of the market, percentage of second homes, migration trends, council tax bands in the area. Other sources of evidence may also have to be considered. Research is also needed to understand the reasons for the low number of local market units that have received planning permission and developed. Aspects such as the lack of potential opportunities to provide such units and lack of knowledge of the policy can therefore be considered. Whilst not many have been allowed and developed since the Plan was adopted, the principle and purpose of the Policy in promoting more sustainable housing markets in those areas where profound problems are evident, is something that certainly needs further consideration.

Type of Housing

- 3.88 The Type of Housing section of the Plan includes Policy TAI 8 (Appropriate Mix of Housing) which is a policy to ensure that all new residential development contributes to improving the balance of housing and meets the needs identified for the community as a whole; TAI 9 (Subdivision of Existing Properties into Self-Contained Flats & Houses in Multiple Occupation (HMOs)) a policy which ensures that buildings are suitable for division without adversely affecting neighbouring amenities and gives a threshold at a level of houses in multiple occupation within Wards; TAI 10 (Campus Style Accommodation for Construction Workers) a policy that applies to temporary accommodation provided to construction workers required in connection with large-scale construction projects (other than the Wylfa Newydd Project); TAI 11 (Residential Care Homes, Extra Care Housing or Specialist Care Accommodation for the Elderly) a policy that highlights sustainable placement considerations and need with such developments; TAI 12 (Purpose Built Student Accommodation) policy highlighting considerations to be met for supporting additional purpose-built student accommodation; TAI 13 (Replacement Dwellings) a policy which highlights considerations to be met for supporting housing re-building within and outside development boundaries; TAI 14 (Residential Use of Caravans, Mobile Homes and other forms of Non-Permanent Accommodation) a policy which as an exception permits the use of non-permanent accommodation as temporary residence for temporary workers during the construction of a particular construction project or for the establishment of a new rural enterprise.
- 3.89 Policy TAI 8 and the Supplementary Planning Guidance 'Housing Mix' ensure that material consideration is given to ensuring that an intention provides residential units that improve the balance of housing and help to meet the needs of the community as a whole. An application was rejected at Morfa Nefyn on the grounds that it did not provide units for the needs of the local community and the Council's decision was supported by an Inspector in its decision of the

Appeal in April 2021. The policy criteria should be reviewed to ensure that they are still suitable for such a policy in the Replacement Plan.

- 3.90 Policy TAI 9 distinguishes between sites within a development boundary and properties in the countryside. Within the development boundary with applications for houses in multiple occupation there is a threshold at which the number of units should not exceed 25% within 2 Bangor Wards and 10% remaining Wards of the Plan area. A Planning Inspector in an appeal in 2017 supported this threshold figure in the policy and rejected an application for a change of dwelling to a HMO. There has been no significant reduction in the number of units licensed as houses in multiple occupation in Bangor however this evidence base will have to be reviewed when amending the Plan. For unit criteria in the open countryside the suitability of these should be considered given the emphasis of sustainable placements in PPW.
- 3.91 No applications have been submitted for consideration under Policy TAI 10, this may be due to delays in some large-scale construction projects. The evidence base for major projects should be reviewed to assess the need for a policy type in the revised Plan.
- 3.92 Some applications have been dealt with under Policy TAI 11 and no problem appears to have been highlighted with the policy. The preparation of the Revised Plan will provide an opportunity to obtain the input of the care sector into the suitability of the current policy.
- 3.93 Policy TAI 12 was prepared as there was pressure with a number of applications for dedicated student accommodation in Bangor. In recent years there has been a significant reduction in the number of applications for this type of development. Evidence will need to be gathered from the University for expected changes in student numbers on a need for more bespoke accommodation to update the Plan. If a similar policy is prepared in a revised Plan the reference within criterion (1) should be changed to obtain support for the intention from a higher education institution as the University has stated that they were not willing to comment with private developments.
- 3.94 A large number of applications have been submitted under Policy TAI 13 for house reconstruction. A great deal of detail needs to be reviewed within the policy criteria to ensure consistency with other housing policies in the Plan. National policy for sustainable development should be reviewed and development justified within development boundaries to ensure that suitable residential units are not demolished in order to build larger units.
- 3.95 Few applications have been considered against policy TAI 14 to date. The preparation of a revised Plan will enable consideration to be given to the need for this type of policy in the revised Plan.

Affordable Housing

- 3.96 Policy PS 18 (Affordable Housing) sets a target for the minimum number of affordable housing to be provided through the Plan; TAI 15 (Affordable Housing Threshold and Classification) is a policy that sets a threshold at which affordable units need to be prepared and a percentage of affordable housing expected in different house price areas; TAI 16 (Exception Sites) is a policy that supports the intention for 100% affordable housing on sites immediately adjacent to the development boundary.
- 3.97 PPW (2021) supports that community need for affordable housing is a material planning consideration. A target should be included in the Plan for a number of affordable units ensuring that this can be addressed and is viable. The new 'Development Quality Requirements for Wales' standards were published in July 2021 and all publically funded affordable units should meet these standards through condition / Agreement 106 and satisfy the "space requirement" in appendix A and B. Paragraph 4.2.32 states that authorities must provide for affordable housing led sites i.e. sites with at least 50% affordable housing.
- 3.98 Indicator D47 sets targets every 2 years for meeting the target of 1,572 affordable units by 2026. In the period 2015 to 2021 a total of 626 affordable units have been completed. In order to meet the target set out for 2022, 201 affordable units will need to be built by the end of March 2022. The Plan's housing growth level is 866 units below the expected figure by 2020/21. The majority of this slippage has occurred on sites designated for housing in the Plan. These sites would have been expected to prepare a percentage of affordable housing and therefore this is partly responsible for the lower than expected level of affordable units that has been completed since 2015.
- 3.99 The thresholds and percentage of affordable housing expected within different housing price areas in Policy TAI 15 are based on evidence from the Affordable Housing Viability Assessment. Indicator D50 monitors changes in residual values across the house price areas. Due to the limited number and types of developments in some of the House Price Areas monitoring has been looking at the overall picture in the Plan area. The growth in house prices in the Plan area between 2016 and 2020 was around 10% which is a modest growth of 2% per annum. For the period 2020 to 2021 there was also a significant increase of 15.5% in Gwynedd and Anglesey seeing a significant increase of 15% in the same period. In relation to construction costs (based on a change in tender prices) these show an increase of 1.1% between 2019 and 2020, however there is a 1% reduction between 2020 and 2021. Overall there has been a 12.6% increase in construction costs since 2016. The dramatic increase seen this year is seen as a departure from the long-term practice and on this basis, this needs careful consideration going forward into 2022. This has been a time of economic and political change that may traditionally have created viability problems and challenges. The situation on paper therefore is that the Council can maintain its existing policies in site-specific discussions, however, the long-term picture is less certain. Prices may be increasing as a result of a unique set of factors including the Covid-induced trend for moving and strengthening the job market through furlough. An update to the Affordable Housing Viability Assessment will enable a review of policy TAI 15 to ensure that the thresholds and percentage of affordable housing sought are viable to prepare.

3.100 Policy TAI 16 supports the intentions for 100% affordable housing on sites that are outside but immediately adjacent to the development boundary if the criteria within the policy are met. Indicator D49 monitors a number of permitted planning applications on rural exception sites since the Plan was adopted; permission has been granted for 79 affordable units on 13 exception sites. Recent discussions have taken place relating to the size of development which can be considered under, the policy states that the proposal should be small scale and commensurate with the size of the settlement. The question is whether small scale should be more clearly defined for this type of development and the preparation of evidence for a revised Plan will provide an opportunity to look at this issue.

3.101 The 'Anglesey Housing Strategy 2022-27' consultation document states that in the next 3 years there will be an increase in the Council's stock of approximately 175 units and RSL homes of approximately 150 units. Gwynedd Council's 'Housing Action Plan' states that 100 Council houses will be built in the period 2020 to 2027 and around 265 RSL homes in the next two years. Discussions with the Housing Services of the two Councils together with RSLs will consider identifying opportunities for identifying affordable housing-led housing sites.

Accommodation for gypsies and travellers

3.102 TAI 17 (Protection of Existing Gypsy and Traveller Sites) is a policy that protects the Gypsy site in Llandygai and any new site that has been granted and implemented; TAI 18 (Gypsy and Traveller Site Designations) a policy that recognises an increase in the number of pitches on the Llandygai site and the development of a new site at Penhesgyn to meet the need from the Gypsy and Traveller Accommodation Needs Assessment 2016; TAI 19 (Sites for Permanent or Mobile or Temporary Gypsy and Traveller Pitches) a policy setting out the criteria to be met for the provision of permanent, touring or temporary additional sites.

3.103 PPW (2021) supports the need to undertake a Gypsy and Traveller Accommodation Needs Assessment with sufficient sites allocated in the Plan for any residential and/or transient need that has not been met at present. In Future Wales policy 19 'Strategic Policies for Regional Planning' lists what Strategic Development Plans should include and the list includes the needs of gypsies and travellers.

3.104 Indicators D56 to D59 monitor the preparation of a permanent site at Penhesgyn (D56), an extension to Llandygai (D57), temporary sites (D58) and unauthorised encampments (D59). To note that there are delays in the development of the Penhesgyn site due to a change of circumstances on the tolerated site on Pentraeth Lane whilst an extension of 5 units and an improvement to the existing plots have taken place on the Llandygai site. Permission has been granted for the development of a temporary site in the centre of Anglesey however due to cost increases there are delays in the site development timetable. Further work is needed on identifying a temporary site in the Holyhead area while Gwynedd Council uses part of a car park in Caernarfon when a temporary site is required there. Monitoring of unauthorised sites has not highlighted a significant problem within any part of the Plan area.

3.105 Both Councils are committed to undertaking an assessment of the needs of Gypsies and Travellers during 2021 with a final report to be submitted to the Welsh Government in 2022.

3.106 The Replacement Plan will take account of the findings of this assessment, however in the light of future guidance in Future Wales consideration should be given to what detail is expected to be included in a Local Development Plan for Gypsy and Traveller issues given Policy 19 in Future Wales.

Section 6.5 - Growth Management and Development – Natural and Built Environment

Protecting and enhancing the natural environment

3.107 The policies contained in the 'Protecting and Enhancing the Natural Environment' section of the Plan dealt with nature and landscape conservation and recognised the key role of the planning system in protecting and enhancing the natural environment. These policies recognise the statutory protection afforded to internationally and nationally designated landscapes, sites / habitats and biodiversity species.

3.108 In terms of landscape policies only a major development within an AONB has been monitored within the AMR and it is concluded that Policy PS 19 and Policy AMG 1 are being implemented effectively.

3.109 The relevant performance indicator monitored by the AMR concluded that any planning permission granted did not adversely impact the biodiversity or geodiversity value of international / national designations. As a result, all consents are considered to be in compliance with policy PS 19, and the policy continues to be implemented effectively. This was also the case for the performance indicator relating to locally important biodiversity or geodiversity value.

3.110 The evidence base that informs the development of landscape-based policies includes the LANDMAP database, the Snowdonia and Anglesey Seascape Character Assessment Study, the LUC Report 'Review of Special Landscape Areas in Gwynedd and Anglesey and the Landscape Sensitivity and Capacity Study (2014). It is unlikely that this evidence has changed significantly since they were prepared/updated.

3.111 In addition to statutory responsibilities, the biodiversity policies have been guided by Local Biodiversity Action Plans and existing designated sites of regional or local significance. Although geodiversity issues are unlikely to have changed significantly, the information in relation to the biodiversity of the area will need to be updated. Biodiversity and Geodiversity policy within Future Wales and PCCW incorporates strengthening the role and importance of biodiversity considerations in the planning system, following on from the Environment Act

Protecting and enhancing heritage assets

- 3.112 Heritage Asset policies are geared towards protecting the historic environment while also ensuring that it adapts and continues to respond to the needs of the current world. These policies have been prepared in the context of relevant Legislation, Circulars, Regulations and Directions and the national development control policies.
- 3.113 The Heritage Assets performance indicator monitored the effectiveness of policies PS20 and AT1, and published SPG on Heritage Assets. The AMR that has been published to date indicates that no applications were approved that did not comply with PS20 and AT1, it is therefore considered that the policies are being implemented effectively. In addition, following the publication of TAN 24 together with a number of CADW publications, there was no longer considered to be a need for specific SPG on the matter.
- 3.114 The policies are generally considered to be operating effectively. However, as part of the process of preparing a Replacement Plan, the policies will need to be reviewed to ensure that they reflect any legislative changes (e.g. The Historic Environment (Wales) Act (2016)), national planning policy and guidance (e.g. PPW. TAN 24 (Historic Environment)) and contextual changes for example the North West Wales Slate Landscape inscription as an UNESCO World Heritage Site.

Waste Management

- 3.115 The LDP Waste policies were prepared based on the national and regional planning policy guidance, with particular attention being given to the National Waste Strategy Towards Zero Waste – One Wales: One Planet which provided the general framework for the management of all wastes. This document is supported by a Collections, Infrastructure and Markets Sector Plan (the CIMSP). In accordance with that Plan Development, Plans are required to identify the types of locations where materials and waste management would be likely to be acceptable.
- 3.116 Whilst the evidence presented in the AMR to date indicates that the waste policies are generally seen as robust and fit for purpose, consideration will need to be given to the need to respond to changing circumstances throughout the process of creating a Replacement Plan. The information and analysis presented in the Regional Waste Plan will inform this process and provide a basis for action on the waste outcomes in each local authority area, and the region as a whole.

Minerals

- 3.117 As part of the planning process for Minerals within the JLDP, the main objective was to ensure that supply was managed in a sustainable manner and to achieve the best balance between the environmental, economic and social considerations. Minerals policies have been produced based on the Regional Technical Statement (RTS) (1st Review, August 2014). The Regional Technical Statement outlined how demand for aggregates over a 25 year period to 2036 will be met and provides a strategic basis for local development plans. The 2nd RTS Review is in the process of being adopted by the authorities.

- 3.118 The 2nd Review of the Regional Technical Statement (RT2) states that where local authorities are unable to meet their individual indicative share to provide mineral aggregates, all local authorities within that subregion (Conwy, Snowdonia National Park, Anglesey and Gwynedd) need to work together and collaborate to ensure that the overall proportion of the subregion continues to be met and to provide a consistent supply of aggregate minerals across the subregion.
- 3.119 The monitoring of the Minerals policies set out in the three AMR's indicates that the policies are working effectively. However, the Replacement Plan will need to consider the implications of the recommendations in the 2nd RTS Review for the minerals strategy set out in the LDP together with any changes to existing government guidance.

Proposals Maps, Inset Maps and Restrictions Maps

- 3.120 In order to reflect the changes that will be made to the Plan the proposals/inset maps will need to be amended in accordance with those amendments.
- 3.121 Although the Constraints Map is not formally part of a JLDP, it is considered useful to identify those spatial areas identified by other bodies/processes e.g. statutory landscape designations. The printed Constraints Map for the LDP represents a point in time and contains a number of designations that have been updated since the adoption of the JLDP and are therefore out of date. Moving forward, it is hoped that the Constraints Map will be produced in electronic form with public access which will allow it to be updated as required.

Supplementary Planning Guidance

- 3.122 The policies contained in the JLDP are supported by a range of Supplementary Planning Guidance. The purpose of SPG is to:
- assist applicants and their agents in preparing planning applications and guide them in discussions with officials on how to use relevant policies in the Joint Local Development Plan before submitting planning applications,
 - assisting officers in assessing planning applications, and officers and councillors in making decisions about planning applications, and
 - assist Planning Inspectors in making decisions on appeals.
- 3.123 Although the Plan contains policies that enable the Local Planning Authority to make consistent and transparent decisions on development applications, it cannot provide officers and potential applicants with all the detailed advice they need to inform proposals. In order to provide this detailed advice, the Councils have prepared a series of Supplementary Planning Guidance to support the Plan with more detailed guidance on a range of topics and issues to assist in the analysis or implementation of the Plan's policies and proposals.

3.124 Appendix 9 of the Joint Local Development Plan contains a table of SPG which has/or will be prepared together with the timetable envisaged for their preparation. The adopted SPGs are now used as a material planning consideration when making decisions on planning applications:-

Supplementary Planning Guidance	Date of adoption
Housing Mix	October 2018
Open Spaces in New Housing Developments	March 2019
Local Market Housing	March 2019
Affordable Housing	April 2019
Maintaining and creating distinctive and sustainable communities	July 2019
Planning Commitments	September 2019
House re-construction and conversion in the countryside	September 2019
Change of use of community facilities and services, employment sites, and retail units	January 2021
Facilities and Accommodation for Tourists	March 2021

3.125 A review of the existing SPG including recently revised and adopted SPG will be undertaken as part of the revision of the Plan. Further, the Plan review process may identify the need to prepare new SPG.

4 Evidence base review requirements

Evidence gathering

- 4.1 To inform the Replacement Plan, some aspects of the evidence base prepared to support the current LDP will need to be updated. Inevitably some aspects of that evidence base will be out of date with the need to update/replace it to reflect the current circumstances/policy framework as essential. The table below provides a list of anticipated studies/evidence base that will need to be prepared or reviewed as part of the Replacement Plan process (it is noted that the table below is not an exhaustive list).
- 4.2 The revision or replacement of the evidence base will provide an opportunity to gain a better understanding of the land use requirements of both counties during the lifetime of the Replacement Plan as well as considering the implications of the Covid pandemic and any contextual or policy changes that have taken place since the adoption of the current plan.
- 4.3 List of examples of the evidence base necessary to prepare a Revised Plan:-

Text	Clarification
Candidate Sites Assessment	Ensure that a complete and comprehensive assessment of the candidate sites (designations) within the JLDP is undertaken, ensuring that there are no restrictions that would hinder their development during the lifetime of the Replacement Plan.
Relevant Strategies and Plans	Ensure that the review of relevant strategies reflects current guidance.
Population and Housing	Consider the type of tenure and demand for housing to address the future needs of households.
Describing the Housing Growth and Spatial Strategy	Amend in line with up-to-date information to identify the needs of population and households during the lifetime of the Replacement Plan.

Text	Clarification
Developing the settlement hierarchy	Ensure that the Strategy continues to reflect the current situation and the role of those settlements in the wider geographical context.
Urban Capacity Study	Undertake an assessment of the amount of brownfield land that could contribute to housing need in the Plan area.
Retail	Undertake a retail survey to identify the role of retail centres during the lifetime of the Plan.
Tourism	Prepare a paper that identifies the challenges associated with the increase in the demand for tourism accommodation and the potential local policy response to that.
Welsh Language and Culture	Update the existing evidence base.
Local Market Housing	Undertake a review of the current Policy and identify any possible amendments to extend the Policy more widely.
Identification of Gypsy and Traveller sites	Seek to identify the need for permanent and transient pitches during the lifetime of the Plan.
Affordable Housing Viability Study	Advise on achievable and viable targets and thresholds for affordable housing.
Employment Land Study	Assess the need for employment land suitable for all employment sectors and future regional employment aspirations.
Renewable Energy Opportunities Study	To consider the renewable energy resource available within the Plan area to help shape a renewable energy target.

- 4.4 It is emphasised that the above list is not definitive and the need/demand to amend the evidence base including new evidence base when appropriate may emerge as the preparation of the Revised Plan progresses e.g. gathering further information on the accessibility and sustainability of settlements and gaining a better understanding of the links between settlements. Ongoing dialogue with other Local Authorities will help to achieve maximum efficiencies and consistency in evidence gathering/sharing and agree methodology where possible.

Impact Assessments

- 4.5 As part of the Plan revision process compliance with the Sustainability Appraisal requirements will be required. This would mean that the Sustainability Appraisal framework will need to be re-visited together with the Strategic Environmental Assessment included in the adopted Plan and revised as necessary. Due to the importance of the Welsh language as part of the social and cultural fabric of the whole plan area it is the intention to carry out a Welsh Language Impact Assessment during the process of preparing a Replacement Plan. This will inform the Sustainability Appraisal. The Sustainability Appraisal/SEA process is an integral part of the development of the LDP and a means of ensuring that the policies in the LDP promote sustainable development by integrating the key economic, environmental, social and cultural objectives into the development of the JLDP policies and proposals and taking into account any significant impacts on the environment.
- 4.6 A Habitats Regulations Assessment of the JLDP will need to be undertaken to determine if the policies and designations contained in the Plan are likely to affect European designated sites.
- 4.7 In addition to the requirements of the Sustainability Appraisal/SEA, it will be necessary to demonstrate how the JLDP contributes to the objectives of the Well-being Act and the 5 ways of working that have been identified in the Well-being of Future Generations Act. The Development Plan Manual states that the requirements of the Well-being of Future Generations Act are an essential part of the development/review of the Sustainability Appraisal framework.
- 4.8 A Well-being of Future Generations (Wales) Act 2015 came into force on 1 April 2016. As the Joint Local Development Plan had been submitted to the Government for examination before this date the Plan was not required to meet the well-being objectives as set out within the act. However, the JLDP was considered compatible with the well-being objectives.

5 Joint working and preparation of a Joint Local Development Plan

- 5.1 In accordance with Section 72 of the Planning and Compulsory Purchase Act (2004) and LDP Regulation 36 Local Planning Authorities may decide to undertake the preparation and adoption of a Joint Local Development Plan. The Government considers that there are circumstances in which joint working and planning offers significant benefits in terms of the quality of the plans, and addressing cross-border issues. It is emphasised that, following a single administrative process, a more holistic and consistent policy approach could make more effective and efficient use of resources and deliver better planning outcomes across the wider area. It is highlighted that a JLDP could include two or more Local Planning Authorities.
- 5.2 In 2010, Gwynedd Council and the Isle of Anglesey County Council agreed to establish joint working arrangements for the provision of a planning policy function. The joint working agreement resulted in the establishment of the following:-
- The creation of a Joint Planning Policy Unit (now a Joint Planning Policy Service) to carry out the planning policy functions for the Gwynedd and Anglesey Local Planning Authority area.
 - Prepare a Joint Local Development Plan for the Local Planning Authority Area of both authorities.
 - Establish a Joint Planning Policy Committee (JPPC) as a cross-border decision-making body
- 5.3 Following a review of joint working arrangements in 2017 the joint working arrangements remain in place. A further review of the joint working arrangements is planned shortly (end of 2021/early 2022) to ensure that a joint working agreement exists during the period of preparing a Revised Plan and beyond.
- 5.4 Gwynedd and Anglesey Joint LPA is the only joint development plan that has been prepared in Wales. The process of preparing the original Plan was therefore groundbreaking in terms of the principle of joint working as well as the democratic function of preparing and approving the Plan. The preparation of the Plan is considered to have been successful and that therefore there is a business case to continue with the same arrangements for the future.
- 5.5 It is noted that there is an intention to work with other neighbouring Local Planning Authorities (e.g. Snowdonia National Park, Conwy County Borough Council, Powys County Council) in preparing the Replacement Plan, receiving their input in relation to the development of the Plan and ensuring that the Plan is compatible with those authorities' Plans. Furthermore, as appropriate, there may be opportunities to undertake joint studies/evidence base development.

- 5.6 The Town and Country Planning (Strategic Development Plan) (Wales) Regulations (the 2021 Regulations) were published on 18 March 2021 and will come into force on 28 February 2022. The Regulations set out the procedure for preparing Strategic Development Plans (SDPs). In accordance with those Regulations there will be a duty to prepare a Regional Development Plan under the supervision of the Corporate Joint Committee.
- 5.7 Therefore, inevitably, regional co-operation will proceed jointly with the replacement of the Plan. It is hoped that the process of preparing an SDP will ensure that there is coherence between the Local Development Plan and the Strategic Development Plan in terms of strategy and vision for the local area and regionally.

6. Conclusions and next steps

- 6.1 In line with the conclusions of the Annual Monitoring Reports that have been undertaken it is noted that the Plan is generally being implemented effectively and that the policies and targets set for them are being achieved. Despite the fact that there are no substantive issues highlighted in the Annual Monitoring Reports, due to contextual changes together with issues beyond the control of the JLDP, such as the implications of the Covid pandemic, Brexit, population and household projections and the uncertainty associated with Wylfa Newydd it is considered appropriate that a **Full Plan Review is undertaken**.
- 6.2 At the expense of the contextual issues that have a direct and indirect impact on the Plan's strategy it is inevitable that the changes that will need to be made to the Plan are going to be significant.
- 6.3 Furthermore, there is a need to ensure that the Plan is based on the most recent national planning policy guidance, including the national planning framework, Future Wales: the National Plan 2040.
- 6.4 It is emphasised that the preparation of Strategic Development Plans (SDPs) will also have an impact on the development and content of the Revised Plan. It is anticipated that these plans will be prepared in parallel, and that the Joint Planning Policy Service will be required to provide input into the process of preparing the SDP.

Gwasanaeth Polisi Cynllunio ar y Cyd Gwynedd a Môn Anglesey and Gwynedd Joint Planning Policy Service



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Ein Cyf / Our Ref: CDLID/1.1
Eich Cyf / Your Ref:

Dyddiad / Date: Tachwedd / November 2021

Annwyl Syr/ Fadam

Dear Sir/ Madam

Yng: Adroddiad Adolygu Drafft - Cynllun Datblygu Lleol ar y Cyd Gwynedd a Môn

Re: Anglesey and Gwynedd Joint Local Development Plan – Draft Review Report

Mabwysiadwyd Cynllun Datblygu Lleol ar y Cyd Gwynedd a Môn (y Cynllun cyfredol) ar 31 Gorffennaf, 2017. Yn unol â'r canllawiau, gan fod pedair blynedd wedi mynd heibio ers i'r Cynllun gael ei fabwysiadu, mae bellach yn ofynnol bod y Cynghorau yn cychwyn ar y gwaith o adolygu'r Cynllun a pharatoi Cynllun Diwygiedig.

The Anglesey and Gwynedd Joint Local Development Plan (the current Plan) was adopted on 31 July, 2017. In accordance with the relevant guidance, as four years have passed since the Plan was adopted, the Councils are now required to commence work on reviewing the Plan and preparing a Replacement Plan.

Pwrpas yr Adroddiad Adolygu yw edrych ar yr holl dystiolaeth sydd yn berthnasol i'r CDLI ar y Cyd a dod i gasgliad ynglŷn â'r math o adolygiad bydd yn cael ei ddilyn.

The purpose of the Review Report is to look at all the evidence relevant to the Joint LDP and to draw a conclusion on the type of review that will be followed.

Pwysleisir nad diben yr Adroddiad Adolygu yw manylu ar unrhyw newidiadau y bydd yn cael eu gwneud i'r Cynllun. Dim ond wrth ddilyn y broses o baratoi'r Cynllun Diwygiedig a chasglu'r wybodaeth a thystiolaeth berthnasol y bydd posib adnabod manylion y newidiadau sydd angen eu gwneud i'r Cynllun.

It is emphasised that the purpose of the Review Report is not to detail any changes that will be made to the Plan. It will only be possible to identify the details of the changes that need to be made to the Plan during the preparation of the Replacement Plan and gathering the relevant information and evidence.

Mae'r Adroddiad Adolygu Drafft yn destun cyfnod ymgynghori cyhoeddus o **6 wythnos rhwng 5 Tachwedd hyd at 20 Rhagfyr 2021.**

The Draft Review Report is subject to a **6 week public consultation period from 5 November to 20 December 2021.**

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www.gwynedd.llyw.cymru/cdlldiwygiedig
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Ymhellach mae posib archwilio copi caled o'r ddogfen yn:-

- Siop Gwynedd Caernarfon, Pwllheli a Dolgellau.
- Cyswllt Môn, Swyddfeydd y Cyngor, Llangefni

Os ydych yn dymuno lleisio eich barn ar gynnwys yr Adroddiad Adolygu, mae posib gwneud hynny drwy un ai lenwi'r holiadur pwrpasol neu'r ffurflen sylwadau sydd ar y wefan neu drwy anfon e-bost i polisicynllunio@gwynedd.llyw.cymru

Os ydych yn dymuno cyflwyno sylw(adau) ysgrifenedig, dylid anfon eich sylw(adau) i'r cyfeiriad canlynol:-

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Cadw mewn cysylltiad

Rydym yn awyddus i sicrhau ein bod yn lleihau'r defnydd o bapur. Os oes gennych gyfeiriad e-bost ar gyfer derbyn gohebiaeth, cysylltwch â ni hefo'r manylion.

The Draft Review Report is available to download using the following link:-

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If you wish to have your say on the content of the draft Review Report, it is possible to do so by either completing the dedicated questionnaire or comments form which is available on the website or by e-mailing planningpolicy@gwynedd.llyw.cymru.

If you wish to make a written representation(s), your comment(s) should be sent to the following address:-

Anglesey and Gwynedd Joint Planning Policy Service,
Council Offices.
Shirehall Street,
Caernarfon,
LL55 1SH

Keeping in touch

We are eager to ensure that we reduce the use of paper. If you have an email address which could be used to receive future correspondence, please contact us with the details.

Yn gywir / Yours sincerely

Rebeca Jones
Rheolwr Polisi Cynllunio/ Planning Policy Manager

Question 1 – Part 2 of the Review Report refers to relevant documents (legislation, policies, strategies) that have come into force since the adoption of the current Plan. Is there any additional document that should be referred to?

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
Dafydd Griffiths	4	4/1a	Active Travel Act Guidance July 2021.	<p>Accept the comment</p> <p>Whilst active travel is covered in the latest version of Planning Policy Wales in Chapter 4 'Active and Social Places', it is considered relevant to also mention the Active Travel Act and associated guidance published in July 2021. Consideration will be given to Planning Policy Wales and all other relevant strategies, plans, policies and guidance that relate to transport and active travel in the preparation of the Replacement JLDP.</p> <p>Recommendation</p> <p>Add the following text after para 2.29 <u>Active Travel Act Guidance 2021</u> <u>This guidance provides important information with regards to how Local Planning Authorities should consider Active Travel Network Maps when preparing Local Development Plans. Active travel Network Maps which are produced by Local Authorities should be used to inform site allocations to ensure that priority is given to sites that can be connected to existing and future travel routes.</u></p>
Dafydd Griffiths	4	4/1b	There is no reference to the document sent to the Minister of Energy and published by PINS (Planning Inspectorate) at the end of the DCO process.	<p>Note the comment</p> <p>Section 2.63 to 2.67 of the Review Report refers to the situation in relation to Wylfa Newydd. This is an important issue to consider when preparing the revised Plan and therefore all background information and associated documents, including the document that is referred to, will be relevant to consider. It is not considered necessary</p>

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				<p>however to specifically refer to this document within the Review Report.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Councillor Robert Llewelyn	8	8/1	<p>The new plan has to take account of all the new information that has been given by the Welsh Government on the need for Wales to become A GLOBAL RESPONSIBLE COUNTRY TO SAFEGUARD OUR FUTURE GENERATIONS. THIS MEANS A COMPLETE RE- WRITING OF THE PLAN - A REHASHING OF THE OUTDATED PLAN WILL NOT SERVE THIS PURPOSE.</p>	<p>Note the comment</p> <p>It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Climate change and sustainable development considerations are central to the review process. Consideration will be given to all Welsh Government strategies, plans, policies and guidance relating to climate change that are current when preparing the Replacement JLDP. It is noted that the principles of the Well-being of Future Generations (Wales) Act 2015 are set out in part 2.6 to 2.8 of the Review Report. The principles of the Well-being Act will certainly be taken fully into account within the preparation of the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Councillor Mike Stevens	12	12/1	<p>The Well-being of Future Generations (Wales) Act 2015. The 2010 JLDP reviewed but not changed in 2017 is completely outdated. Given the changes the World and Gwynedd has undergone since March 2020 owing to the Covid-19 pandemic. To base the future of lives, hopes and aspirations of people and the development of Gwynedd on a plan which is 21 years old is preposterous and completely contrary to the 2015 Well Being Act.</p>	<p>Note the comment</p> <p>The Well-being Act will be a central theme in the review process. There is the requirement for Local Development Plans to have regard to the Act in the review process. The Replacement JLDP will be required to reflect the aspirations of the Act. A key aspect of the Well-being Act is public health and as such, the latest version of Planning Policy Wales gives reference to 'Building Better Places', which pinpoints the most relevant policy priorities and actions to aid in the recovery from the Covid 19 pandemic. Due regards will be</p>

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				<p>given to the relevant Welsh Government publications on addressing the Covid 19 recovery when reviewing the Plan.</p> <p>It is noted that the principles of the Well-being Act are set out in part 2.6 to 2.8 of the Review Report. The principles of the Well-being Act will certainly be taken fully into account within the preparation of the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ifan Hughes, Isle of Anglesey County Council	14	14/1a	Point 2.15 of the report – Need to change the TAN 15 date following the announcement by the Welsh Government.	<p>Accept the comment</p> <p>The adoption date of the revised TAN 15 has been delayed until the middle of 2023. This change in timescale for adoption will be taken into consideration.</p> <p>Recommendation Revise paragraph 2.15 as set out below.</p> <p>A new version of TAN 15 was due to come into force on 1st December 2021. Flood zones are outlined within the document and there will be different zones for flood risk from rivers, sea and surface water. The TAN puts much more emphasis on climate change and how to ensure that issues associated with this are avoided, restricted or mitigated. The updates and changes to TAN 15 include a greater focus on the development plan, and details on how to prepare effective Strategic Flood Consequences Assessments. Development advice maps will be replaced with a new Flood Map of Wales. In November 2021 it was announced by the Welsh Minister that the coming into force of the new TAN15 and Flood Map for Planning would be delayed until 1st June 2023. The Minister also outlined the requirement for every LPA to complete work to review, within the next 12 months,</p>

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				the Strategic Flood Consequences Assessments (SFCA) for their area, either individually or on a regional basis. Once published the new TAN 15 and Flood Map for Planning will be used to inform the Replacement Plan and the reviewed SFCA will inform the LDP's strategy, policies and proposals.
Ifan Hughes, Isle of Anglesey County Council	14	14/1b	Point 2.18 – Following discussion with Waste Section, the need to regularly update TAN 21 is emphasized.	<p>Note the comment</p> <p>The Welsh Government are responsible for updating Technical Advice Notes, not the Local Authority. The Replacement Plan will take into account any updates to national guidance.</p> <p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>
Ifan Hughes, Isle of Anglesey County Council	14	14/1c	Point 2.26 – We consider that Councils need to update their Local Flood and Coastal Erosion Risk Management Strategies.	<p>Note the comment</p> <p>The revision of the Local Flood and Coastal Erosion Risk Management Strategy is a matter for the Lead Flood Authority (Gwynedd Council and The Isle of Anglesey County Council). If an update were to be carried out it would be an important evidence base in the preparation of the Replacement Plan.</p> <p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>
Richard Evans-Snarr, Welsh Government	15	15/1	Should the document review Active Travel Wales Act and the associated mapping works which are recently being reviewed as part of the Act.	<p>Accept the comment</p> <p>Whilst active travel is covered in the latest version of Planning Policy Wales in Chapter 4 'Active and Social Places', it is considered relevant to also mention the Active Travel Act and associated guidance published in July 2021.</p>

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				<p>Consideration will be given to Planning Policy Wales and all other relevant strategies, plans, policies and guidance that relate to transport and active travel in the preparation of the Replacement JLDP.</p> <p>Recommendation Add the following text after para 2.29 <u>Active Travel Act Guidance 2021</u> <u>This guidance provides important information with regards to how Local Planning Authorities should consider Active Travel Network Maps when preparing Local Development Plans. Active travel Network Maps which are produced by Local Authorities should be used to inform site allocations to ensure that priority is given to sites that can be connected to existing and future travel routes.</u></p>
Peter Nicholas Horsley, Mineral Product Association Cymru/Wales	18	18/1a	Whilst this section reflects changes to Technical Advice Notes, it is important to remember that documents such as MTAN1 are also relevant. We would also recommend that this section refers to the Second Review of the Regional Technical Statements.	<p>Note the comment</p> <p>MTAN 1 is certainly a document that will have to be considered when preparing the Replacement Plan. This document has not been updated since the adoption of the Joint LDP and that is therefore the reason why there is no specific reference to it in the Review Report.</p> <p>Section 3.117 to 3.119 refers to the 2nd RTS Review and the fact that it is in the process of being adopted by the authorities. Paragraph 3.119 states that the Replacement Plan will need to consider the implications of the recommendations in the 2nd RTS Review for the minerals strategy set out in the LDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Peter Nicholas	18	18/1b	We note and support the references to the Wylfa Newydd Power Station DCO withdrawal. We would add,	Note the comment

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Horsley, Mineral Product Association Cymru/Wales			however that North Wales is likely to play an important role in the role out of alternative fuels such as hydrogen and particularly the proposals for CCUS (Carbon Capture, Utilisation and Storage).	<p>Full consideration will need to be given to energy provision within the Plan area, also bearing in mind the requirements of the Well-being of Future Generations (Wales) Act 2015. The assessment of Section 6.2 of the Plan in the Review Report refers to renewable energy and the fact that the target of 50% renewable energy potential being achieved by 2021 has not been achieved (Indicator D21). Whilst aspects such as those noted in this comment should be considered within the preparation of the replacement Plan, it is not considered necessary to refer specifically to them in the Review Report.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Peter Nicholas Horsley, Mineral Product Association Cymru/Wales	18	18/1c	We note that reference is made to the AMR. The AMR does not appear to report on the number of non-compatible planning applications within Mineral Safeguarding Areas POLICY MWYN 1, whilst it does report on applications in Buffer Zones POLICY MWYN 5.	<p>Note the comment.</p> <p>The purpose of the Review Report is not to detail any specific changes that will be made to the Plan. A review of the monitoring indicators could be undertaken as part of the work of preparing the replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Mr & Mrs Lindsey Parry	20	20/1	The Council's recognition that the Replacement Plan must respond to legislative changes, including the adoption of an updated Planning Policy Wales in February 2021, is supported. Part 2 of the Review Report identifies a large volume of Plans and Strategy documents which have been published following the adoption of the existing Joint Development Plan in 2017. The Review Report provides a comprehensive list of those documents necessary to be considered in the preparation of the Replacement Plan, and it is not considered that there are any additional documents which need to be referred to.	<p>Note the comment.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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Gareth Thomas, Natural Resources Wales (NRW)	24	24/1a	Section 2.23 – refers to the production of Area Statements by NRW. To note these were published in April 2020. Both the North West Area Statement and Marine Area Statement are of relevance to the JLDP area.	<p>Accept the comment</p> <p>Accept the comment and the need to refer to the relevant Area Statements in paragraph 2.23 of the Review Report. It is noted that section 2.39 to 2.41 of the Review Report refers to the North West Wales Area Statement but accept that reference should also be made to the Marine Area Statement.</p> <p>Recommendation Include amendments to paragraph 2.25 as shown below:</p> <p>Local Planning Authorities will need to have regard to the relevant area statement when preparing an LDP. <u>Both the North West Area Statement and Marine Area Statement are of relevance to the JLDP area.</u> The implications of the relevant NRP and Area Statement will be considered in the preparation of the Revised Plan.</p>
Gareth Thomas, Natural Resources Wales (NRW)	24	24/1b	Section 2.25 - refers to the Welsh National Marine Plan (WNMP). We recommend that it is worth noting here that the WNMP area and JLDP area overlaps, with the WNMP having influence up to mean high water spring tides.	<p>Accept the comment</p> <p>Accept the comment and the need to refer to this in the Review Report.</p> <p>Recommendation Include additional wording to paragraph 2.23 as shown below:</p> <p>The Welsh Government published Wales' first marine plan in November 2019. It sets out a national policy for the next 20 years for the use of the Welsh marine plan regions inshore and offshore. It has been prepared and adopted under the Marine and Coastal Access Act (MCAA) 2009. <u>It is noted that the Welsh National Marine Plan (WNMP) area and JLDP area overlap, with the WNMP having influence up to mean high water spring tides.</u> Applicants should use the Plan</p>

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				<p>WNMP and supporting material to formulate proposals and license applications, and by public authorities and others to inform decision making and to understand the Welsh Government's policy for sustainable development in the Plan area.</p>
Gareth Thomas, Natural Resources Wales (NRW)	24	24/1c	Section 2.39 - 2.41 refer to the North West Area Statement, we recommend it is expanded to include the Marine Area Statement which is also of relevance.	<p>Accept the comment</p> <p>Accept the comment and the need to also refer to the Marine Area Statement in the Review Report.</p> <p>Recommendation</p> <p>Include the following amendments to paragraphs 2.39-2.41:</p> <p><u>These</u> Statements is are one two of a series of seven Area Statements that have been prepared for the whole of Wales to help solve a range of complex challenges that society, and the natural environment, now face. <u>These are the two Area Statements that are relevant to the JLDP area.</u></p> <p><u>These</u> Area Statement outlines the key challenges facing the area <u>and the marine area that surrounds it,</u> what can be done to meet those challenges, how our natural resources can be better managed for the benefit of future generations. The Area Statements will be regularly updated and improved year on year in engaging with more people, gathering new evidence, presenting ideas, and working across boundaries to create opportunities.</p> <p><u>These</u> Area Statements, together with the other six five statements is are a collaborative response to what is known as the Natural Resources Policy, published by the Welsh Government in 2017, which sets out the main challenges and opportunities for the future sustainable management of Wales' natural resources. The content of the Area Statements</p>

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				is seen as an important source of evidence in the review of the Plan's policies.
Jeremy Lambe, Lambe Planning and Design	25	25/1	<p>Welsh Government "Welcome to Wales: Priorities for the visitor economy 2020-2025" published in 2020.</p> <p>The above document is a five-year plan aimed at helping to grow the sector, delivering economic growth and focusing on Wales' strengths - its landscapes, culture and places.</p> <p>It is important to recognise the evolving tourism market and to be able to adapt to changes that have occurred since the JLDP was adopted in 2017</p>	<p>Accept the comment</p> <p>Reference will be made to this document in the Review Report.</p> <p>Recommendation</p> <p>Include the following section after paragraph 2.33:</p> <p><u>Welcome to Wales: Priorities for the visitor economy 2020-2025</u></p> <p><u>This plan provides clarity on the priorities for Visit Wales, which is the team within Welsh Government that is responsible for the development and promotion of the visitor economy in Wales, and outlines the vision for the future. It is noted that Visit Wales are one of a number of partners with a part to play in delivering these goals.</u></p> <p><u>It is noted that the ambition is to grow tourism for the good of Wales. This means economic growth that delivers benefits for people and places, including environmental sustainability, social and cultural enrichment and health benefits. The primary goal of the plan is to harness the potential for tourism to improve the wider economic wellbeing of Wales.</u></p>
Alwyn Gruffydd	26	26/1	The Draft Review is comprehensive in its reference to the legislative changes etc. that have come into force since the current plan was adopted four years ago. However more attention could have been given to the principles of the Well-being Act and the obvious shortcomings of TAN	<p>Note the comment</p> <p>The principles of the Well-being Act are set out in part 2.6 to 2.8 of the Review Report with the references to the Act also being made in sections such as the update to Planning Policy Wales (Edition 11) and the Local Well-being Plans. The</p>

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			20 and the current plan in protecting the Welsh language in the communities that sustain it.	<p>principles of the Well-being Act will certainly be taken fully into account within the preparation of the Replacement Plan.</p> <p>Reference is made in part 2.16 to 2.17 of the Review Report to the revised TAN 20. The revised Plan will consider a range of different guidance and sources of evidence relating to the Welsh language, including TAN 20.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Dylan Clarke	29	29/1a	<p>These documents should be included.</p> <ul style="list-style-type: none"> - TCPA (Town and Country Planning Association) Guide for Local Authorities on Planning for Climate Change - 'Build Upon Framework: an introduction for policy makers and local authorities' by a network of Green Building Councils - One Planet Development information handout for planners and policy makers by the One Planet Council - Zero Carbon Britain rising to the climate emergency, from the centre for alternative technology. 	<p>Note the comment</p> <p>Accept the importance of considering all types of documents and viewpoints relating to the relevant issues. It is not considered necessary however to specifically refer to these documents in the Review Report as it is considered that Planning Policy Wales and Future Wales: The National Plan 2040 provides guidance in relation to these specific areas for preparing LDPs</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Dylan Clarke	29	29/1b	<p>Planning policy should be informed by the latest climate science so include IPCC (Intergovernmental Panel on Climate Change) report AR6 Climate Change 2021: The Physical Science Basis</p>	<p>Note the comment</p> <p>Accept the importance of considering all types of documents and viewpoints relating to the relevant issues. It is not considered necessary however to specifically refer to these documents in the Review Report as it is considered that Planning Policy Wales and Future Wales: The National Plan 2040 provides guidance in relation to these specific areas for preparing LDPs</p> <p>Recommendation</p>

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				No changes to the Review Report in light of this comment
Dylan Clarke	29	29/1c	Current planning policy focuses too much on economic growth at any cost so include Kate Raworth discussion paper on doughnut economics (A Safe and Just Space for Humanity: Can we live within the doughnut?)	<p>Note the comment</p> <p>Accept that the Plan needs to consider a range of different factors, including economic, environmental and social ones. The preparation of the replacement Plan will seek to achieve an effective balance that will lead to positive outputs in all areas. The replacement plan is based on sustainable development principles, it is not considered necessary to refer specifically to this document in the Review Report.</p> <p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>
Terry Williams	30	30/1	I am trying to understand why the development boundary for Cwm y Glo goes around the Bryn Cwm y Glo LL55 4DH field and comes back out on the road that lies opposite.	<p>Note the comment</p> <p>Development boundaries is something that will be addressed during the preparation of the Replacement Plan. It is premature at this stage to consider the exact details in relation to this comment.</p> <p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>
Shaun Denny	36	36/1	Whilst this section reflects changes to Technical Advice Notes, other documents such as MTAN1 are also material. It is also recommended that the Second Review of the RTS is also referred to.	<p>Note the comment</p> <p>MTAN 1 is certainly a document that will have to be considered when preparing the Replacement Plan. This document has not been updated since the adoption of the Joint LDP and that is therefore the reason why there is no specific reference to it in the Review Report.</p> <p>Section 3.117 to 3.119 refers to the 2nd RTS Review and the fact that it is in the process of being adopted by the authorities. Paragraph 3.119 states that the Replacement Plan will need to consider the implications of the</p>

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				<p>recommendations in the 2nd RTS Review for the minerals strategy set out in the LDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
D Parry	37	37/1	2.74 states "Although the short-term effects associated with Brexit are well-known, there is in fact little baseline information/data about the long-term impacts. " Poorly researched. One only has to stand at Point Lynas and count the ships bypassing Holyhead for Liverpool. 43 ships tonight alone.	<p>Note the comment</p> <p>The effects of Brexit are matters that will need to be considered when preparing the replacement plan. The most recent and up to date evidence as to the effects of Brexit will be used to inform the replacement plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council	39	39/1	The policy to strengthen communities where 70% or more of the community are Welsh speakers	<p>Note the comment</p> <p>Linguistic issues will need to be fully considered during the preparation of the Replacement Plan. It is not however the purpose of the Review Report to detail any specific changes that will be made to the Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/1	AONB Management Plan	<p>Note the comment</p> <p>No further reviews of either the Llŷn or Anglesey AONB Management Plans have been published since the Joint LDP was adopted. The JPPS will consider any update to the Management Plans that will be published during the preparation of the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Iwan Edgar	41	41/1	It should be noted that the results of the 2021 census relating to language are expected to be evaluated here. Surely these will be available soon	<p>Note the comment</p>

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				<p>Information relating to the 2021 Census has not yet been published. It is envisaged that the first set of statistics from the Census will be released in May/June 2022. Information from the Census will certainly be central to the preparation of the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Wendy Jakeman	44	44/1	<p>All documents relevant to recent planning application, that appear to pass without public scrutiny. No to Nuclear No to Fossil Fuels Adopt a public forum so that the public are notified of all planning applications in the energy, industrial, corporate or transport sectors. These decisions have consequences, especially for impoverished areas. More consultation, less hierarchy, more democracy please.</p>	<p>Note the comment</p> <p>There is a statutory process for undertaking a review of the Plan. The JPPS will follow this process. There will be clear opportunities for stakeholders and the public to submit comments within specific stages of the Plan review process and the Councils will consider all these comments in a transparent manner.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/1a	<p>Research on the impact of new house building on the numbers and percentages of Welsh speakers in the county's communities should have been carried out between September 2017 and September 2020 - research on the New Housing Research in Gwynedd model (2012-2018) (Emyr Edwards, Gwynedd Council Research and Information Manager, 9 December 2021) - but adding an analysis of the numbers and percentages of Welsh speakers in the context of the communities in which the new housing is located.</p>	<p>Note the comment</p> <p>The review of the JLDP will certainly consider any link between housing provision and impact on the Welsh Language. In reviewing the Plan, we will consider the performance of existing housing policies and strategy since the Plan was adopted. In this respect the review will consider documents that have been prepared and relevant research that has been undertaken. There will also be full consultation with other Anglesey and Gwynedd Council departments, such as the Research Unit, along with relevant external stakeholders.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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Ieuan Wyn, Cylch yr Iaith	46	46/1b	An independent language assessment of the Plan should have been commissioned by specialists in Language Planning/Language Sociology.	<p>Note the comment</p> <p>Indicators relating to the Welsh language are reported and assessed annually within the Annual Monitoring Reports. Considerations relating to linguistic impacts will certainly form part of the Plan review. The matter raised in this comment can be considered within the process of preparing the replacement Plan, however it is not considered that it should be specifically referred to in the Review Report.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Question 2 – Part 2 of the Review Report (page 10 to 23) refers to the issues that do/or could influence the Plan. Are there any additional issues that should be included in this part?

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Elen Wyn Parry	2	2/2	<p>I support the need to re-look at the report together with the intention to review the Development Plan as needs in villages together and the economy have changed and the Plan will need to be amended to and catch up with these changes.</p> <p>I am strongly of the view that a full review of the Plan needs to be undertaken as soon as possible to save our communities before it is too late.</p>	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when reviewing the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Dafydd Griffiths	4	4/2	Applications for Annexes have increased. There is currently no policy in the Joint Local Development Plan.	<p>Note the comment It is not the intention of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Malcolm Brymer	6	6/2	Consider adopting some or all of the changes adopted in UK Planning system, on "Change of Use" and limiting the need for Planning Applications - to keep Gwynedd competitive and up to date	<p>The comment is not relevant. Planning is a devolved matter for Wales and therefore the Authority is required to work in accordance with the national guidance for Wales.</p> <p>Recommendation This is not a matter for a Review Report.</p>
Catrin Sion	7	7/2	The Covid pandemic, has had a huge effect on the JLDP Plan area. Any recovery will have to bear in mind the need for a proactive approach to planning developments	<p>Note the comment The effect of the pandemic is addressed in paragraphs 2.70 to 2.73 of the report. Further consideration of these issues</p>

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				<p>will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Councillor Robert Llywelyn Jones	8	8/2		<p>The comment is not relevant. It is noted that the two developments referred to have received consent in accordance with the previous local planning policy framework, not the current Joint Local Development Plan.</p> <p>Recommendation This is not a matter for a Review Report.</p>
Councillor Mike Stevens	12	12/2		<p>Note the comment The issues referred to the representor have been addressed in specific parts of the Review Report.</p> <ul style="list-style-type: none"> - Impact of the pandemic, para 2.70 - 2.73 - Impact of second homes and holiday accommodation, para 2.92 - 2.94 <p>Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ifan Hughes, Cyngor Sir Ynys Môn	14	14/2	Point 2.74 – Ensure that this doesn't affect planning applications to be made and HGV's car parks.	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision,</p>

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				<p>strategy and policies and issues such as the effects of Brexit will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Peter Nicholas Horsley, Mineral Products Association	18	18/2	It is important that the robustness of the Mineral Safeguarding Area policy is assessed and if necessary reviewed. Strategic policies on renewable technology may need to consider CCUS within the Irish Sea and the necessary facilitating development.	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Mr & Mrs Lindsey Parry (c/o Victoria Morrison, Claremont Planning)	20	20/2	The identification of climate change as being a key issue which will require consideration through the Replacement Plan is strongly supported. The updated February 2021 Planning Policy Wales (PPW) emphasises the role of the planning system in tackling the climate emergency, establishing within Paragraph 3.33 that the most important decision the planning system makes is to ensure the right developments are built in the right places. Within Paragraph 4.11, the PPW sets out that the planning system should enable people to access jobs and services through shorter, more efficient, and sustainable journeys by walking, cycling, and public transport. This Section goes on to note that by influencing the location, scale, density, mix of uses, and the design of new development, the planning system can secure accessibility in a way which supports sustainable development and tackles the causes of climate change.	<p>Note the comment Climate change is addressed in paragraphs 2.59 - 2.62 of the report. Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gareth James	21	21/2	In respect of paragraph 2.45, the Council's Well-being Goals and the National Well-being Goals will need to be	<p>Note the comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			<p>considered and discussed as part of a consistent analysis with the LDP aims.</p> <p>Suggestion</p> <p>One of the aims of the Plan is to increase and maintain the number of Welsh speakers in the County's communities. I would ask that external experts in language planning and community sociology assess the impact of the Plan on the numbers and percentages of Welsh speakers in the County.</p>	<p>The principles of the Well-being Act are set out in part 2.6 to 2.8 of the Review Report with references to the Act also being made in parts such as the update to Planning Policy Wales (Edition 11) and the Local Well-being Plans. The principles of the Well-being Act will certainly be taken into consideration in the preparation of the Replacement Plan.</p> <p>Considerations in relation to linguistic impacts will certainly form part of the Plans Review. The issue raised in this comment may be considered within the preparation of the Replacement Plan but it is not considered necessary to include a specific reference within the Review Report.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gareth Thomas, Natural Resources Wales	24	24/2a	Section 2.82- 2.85 Biodiversity – general comment – it is suggested that all points should be more specific, ensuring reference to terrestrial, coastal and marine habitats and relevant legislation where appropriate.	<p>Note the comment</p> <p>It is considered that the issues highlighted have been given appropriate consideration within the Review Report. Further detailed consideration will be given to marine, coastal and terrestrial biodiversity issues as the Plan Review process progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gareth Thomas, Natural Resources Wales	24	24/2b	Section 2.8.2 reference to 'oceans' should perhaps be changed to 'seas' given there are no oceans in Welsh waters.	<p>Accept the comment Change the report to reflect the comment.</p> <p>Recommendation</p> <p>Amend paragraph 2.82 to read as follows:-</p> <p>2.82 Biodiversity underpins our lives and livelihoods and supports the functioning and resilience of ecosystems in</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
				<p><u>seas</u>ceans, wetlands, lakes, rivers, mountains, forests and agricultural landscapes.</p>
Gareth Thomas, Natural Resources Wales	24	24/2c	Section 2.84 - We welcome the confirmation that the planning system will ensure wildlife is able to thrive in healthy, diverse habitats but this should also include coastal and marine habitats that might potentially be impacted by planning applications.	<p>Note the comment Paragraph 2.84 specifically relates to the content of Future Wales, amending the paragraph in accordance with the representation would be in contrast to the guidance provided in Future Wales.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gareth Thomas, Natural Resources Wales	24	24/2ch	Section 2.85 states “Enhancement of biodiversity, the resilience of ecosystems and the provision of green infrastructure is a key aim of the National Plan, with the introduction of The National Forest of Wales and creating more woodland cover being a means of achieving a resilient ecosystem”. Please also note this is an objective of the Welsh National Marine Plan “maintain and enhance the resilience of marine ecosystems and the benefits they provide in order to meet the needs of present and future generations” which is of relevance here and therefore should also be referenced.	<p>Accept the comment Change the report to reflect the comment.</p> <p>Recommendation Amend paragraph 2.85 to read as follows:-</p> <p>2.85 Enhancement of biodiversity, the resilience of ecosystems and the provision of green infrastructure is a key aim of the National Plan, with the introduction of The National Forest of Wales and creating more woodland cover being a means of achieving a resilient ecosystem. <u>Further, the enhancement and resilience of marine ecosystems is an objective of the Welsh National Marine Plan which stipulates the requirement to maintain and enhance the resilience of marine ecosystems and the benefits they provide in order to meet the needs of present and future generations.</u></p>
Jeremy Lambe, Lambe	25	25/2	Balancing the issues of Climate Change / extreme weather events and protecting major tourism accommodation assets in coastal areas that potentially can be significantly	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision,</p>

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Planning and Design			<p>affected by rising sea levels. This could lead to the loss of holiday accommodation, reducing the viability of a business, resulting in a lack of investment, a significant loss of employment and significant loss of economic benefits to the economy.</p> <p>Being able to adapt, innovate and stay ahead of the competition with the tourism offering, not only to retain existing visitors, but also to attract new and future visitors who are becoming far more discerning, who are seeking unique experiences, a 'sense of place' with developments, and more distinctive forms of high-quality holiday accommodation. Such 'bespoke' styles of accommodation and developments can assist in increasing occupancy levels and also bring further economic and employment benefits to the local and regional economy, as well as being a catalyst for longer term changes that are beneficial for everyone.</p> <p>Creating local employment in the hospitality and leisure industry which is all year round, rather than employment which is often perceived as being seasonal, temporary or a 'stop-gap' job. The Pandemic has highlighted these issues in the hospitality sector, with a significant reduction in the amount of skilled staff available to work, which is in part due to people choosing not to pursue a career in the hospitality industry due to the seasonal nature of such jobs. Creating a year-round product helps to attract and retain a skilled and talented workforce within local communities. The tourism and hospitality sectors are vital to local economies.</p> <p>Allied to the above, is the need to encourage visitors to</p>	<p>strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			<p>spend more money throughout the year, particularly during off-peak periods, focusing on the quality of the tourism offer, as well as retaining repeat visitors, and attracting new high value visitors that appreciate and respect the unique qualities of the area and local communities and deliver benefits to the local communities.</p> <p>Encouraging the building of relationships between the hospitality sector and local food and drink producers, to enhance the use and sourcing of local Welsh products within the area when proposals are brought forward for retail / food and beverage provisions within the tourism sector.</p>	
Alwyn Guffydd	26	26/2	<p>The Welsh language crisis should be at the heart of all aspects of this Plan. Unless that is done there is no point in it as a document that is of maintaining our identity and the existence of the Nation.</p>	<p>Note the comment The Welsh language is addressed in paragraphs 3.9 to 3.12 of the report. In accordance with the Planning (Wales) Act 2015 LPAs have a duty when deciding on a planning application to have regard to the Welsh language. This is further supported by paragraph 3.25 of PPW (11th ed, Feb 2021) and in Technical Advice Note 20: Planning and the Welsh language (2017).</p> <p>A Welsh Language Impact Statement will be undertaken to assess the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Eva Stevens	31	31/2	<p>I don't know enough to say but the join with Anglesey makes NO SENSE and needs to be terminated! Listen to your Councillors who have the facts.</p>	<p>The comment is not relevant The future of the Joint Planning Service is not part of the Local Development Plan process.</p>

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				<p>Recommendation This is not a matter for a Review Report.</p>
Alison Shaw	33	33/2	The Covid pandemic, has had a huge effect on the JLDP Plan area. Any recovery will have to bear in mind the need for a proactive approach to planning developments	<p>Note the comment The effect of the pandemic is addressed in paragraphs 2.70 to 2.73 of the report. Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Nina Bentley	34	34/2	Any major investment deals such as Growth Deal should include Social Return on Investments analysis. It is insufficient to consider only the financial bottom line.	<p>Note the comment As part of the process of preparing the Replacement Plan schemes such as the Growth Deal will need to be considered when we re-visit the Plan's objectives and vision, strategy and policies and the issue will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council Councillor	39	39/2	The pilot in Dwyfor. Shrinkage in the areas with a high percentage of Welsh speakers. The high rate of immigration and second home purchases	<p>Accept the comment</p> <p>Second homes is addressed in paragraphs 2.92 to 2.94 of the report. The report should be amended to include reference to the pilot scheme along with amending the Report to refer to recent consultations which have/are being undertaken by the Government in relation to this topic.</p> <p>Recommendation</p> <p>Amend paragraph 2.94 and include an additional paragraph as follows:-</p>

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				<p>2.94 <u>In autumn 2021 the Government consulted on possible changes to local taxes on second homes and self-catering accommodation. Further following this consultation, a consultation was launched which relates to amendments to the planning system in relation to second homes and self-catering accommodation.</u> It will be necessary to ensure that any developments in this area are taken into account considered during the preparation of the Replacement Plan and that consideration is given to how any control mechanism which may be implemented or is intended to be implemented could influence the policies contained within the Replacement Plan.</p> <p><u>2.94a Along with the possible changes in relation to the planning and local taxation system, the Government have confirmed that Dwyfor has been chosen as a pilot area. The first phase of the pilot will build on the practical support Welsh Government is already providing to address affordability and availability of housing and will be tailored to suit the needs of people in the area. More details regarding the pilot scheme is expected following the Budget, however in accordance with the Ministers wishes it is expected to look at shared equity schemes, rental solutions and empty homes.</u></p>
Councillor Gruddydd Williams	40	40/2	It is vital to consider and discuss the National and the Council's Well-being Goals as part of a consistency analysis with LDP aims. Suggestion: One of the aims of the Scheme is to increase and maintain the number of Welsh	<p>Partly accept the comment The Well-Being Goals are addressed in paragraphs 2.70 to 2.73 of the report. Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			<p>speakers in the County's communities. External language planning and community sociology specialists need to be asked to assess the impact of the Plan on the numbers and percentages of Welsh speakers in the County. Consideration needs to be given to this Pilot Scheme in Dwyfor which is linked to legislative change and managing the numbers of summer houses and holiday accommodation.</p>	<p>Second homes is addressed in paragraphs 2.92 to 2.94 of the report. The report should be amended to include reference to the pilot scheme along with amending the Report to refer to recent consultations which have/are being undertaken by the Government in relation to this topic.</p> <p>Recommendation</p> <p>Amend paragraph 2.94 and include an additional paragraph as follows:-</p> <p>2.94 <u>In autumn 2021 the Government consulted on possible changes to local taxes on second homes and self-catering accommodation. Further following this consultation, a consultation was launched which relates to amendments to the planning system in relation to second homes and self-catering accommodation.</u> It will be necessary to ensure that any developments in this area are <u>considered</u> during the preparation of the Replacement Plan and that consideration is given to how any control mechanism which may be implemented or is intended to be implemented could influence the policies contained within the Replacement Plan.</p> <p><u>2.94a Along with the possible changes in relation to the planning and local taxation system, the Government have confirmed that Dwyfor has been chosen as a pilot area. The first phase of the pilot will build on the practical support Welsh Government is already providing to address</u></p>

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				<p><u>affordability and availability of housing and will be tailored to suit the needs of people in the area.</u></p> <p><u>More details regarding the pilot scheme is expected following the Budget, however in accordance with the Ministers wishes it is expected to look at shared equity schemes, rental solutions and empty homes.</u></p>
Wendy Jakeman	44	44/2	Transparency at every level. Multi agency cooperation and pooling of resources and knowledge, including Bangor University.	<p>Note the comment The Joint Planning Policy Service will work with a number of partners (both statutory and non-statutory) in producing the Plan. A list of the Partners will be published in the Delivery Agreement. All major steps in the plan process will be subject to public consultation which gives everyone an opportunity to be part of the process.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2a	Research on the impact of new house building on the numbers and percentages of Welsh speakers in the county's communities should have been carried out between September 2017 and September 2020 - research on the New Housing Research model in Gwynedd (2012-2018) (Emyr Edwards, Gwynedd Council Research and Information Manager, 9 December 2021) - but adding an analysis of the numbers and percentages of Welsh speakers in the context of the communities in which the new housing is located	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2b	An independent language assessment of the Plan should have been commissioned by specialists in Language Planning/Language Sociology.	<p>Note the comment Considerations in relation to linguistic impacts will certainly form part of the Plans Review. The issue raised in this</p>

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				<p>comment may be considered within the preparation of the Replacement Plan but it is not considered necessary to include a specific reference within the Review Report.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2c	<p>As the situation of the Welsh language is unstable, it is quite clear that a language assessment made years before a planning application was submitted cannot be relied on. A Welsh Language Statement is not sufficient. There are also shortcomings that should be corrected not only in the methodology of the language impact assessment but also in the way in which the methodology and the interpretation of statistics are interpreted in reaching conclusions. It should be ensured that language assessments/statements are provided and appraised by experts in Language Planning/Language Sociology.</p>	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit and the objectives and vision, strategy and policies of the Plan including the policy) relating to the Welsh language. The issue raised will be considered as part of the process of preparing the Replacement Plan, gathering the relevant evidence base and preparing any prospective SPG should it be considered necessary to do so.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2ch	<p>The Plan refers to the objective of creating Welsh-speaking communities. Evidence should be included showing that the position of the Welsh language has not only been maintained but has also been strengthened. The Draft Report states: '3 Linguistic Assessments have been submitted together with 81 linguistic statements. Since the adoption of the Plan no application contrary to PS 1 has been granted. Evidence should be included in relation to those developments</p>	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit and the objectives and vision, strategy and policies of the Plan including the policy) relating to the Welsh language. The issue raised will be considered as part of the process of preparing the Replacement Plan, gathering the relevant evidence base and preparing any prospective SPG should it be considered necessary to do so.</p> <p>An analysis of applications compliance with PS1 is included in the Annual Monitoring Report, it is not considered appropriate to elaborate on the appropriateness of Welsh Language Impact Statements/Assessments within the Review</p>

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				<p>Report particularly given that this is already being done through the AMR.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2d	3.63 Change the last sentence to read: "ensure the protection of our native language and culture, and the natural, built and historic environment."	<p>Accept the comment The report should be amended to include the words "language and culture".</p> <p>Recommendation Amend paragraph 3.63 to read as follows:-</p> <p>3.63 '...whilst balancing its impact on local communities (including language and culture) and the economy and ensuring that the natural, built and historic environment is protected.'</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2dd	3.67 The overall threshold for excesses set out in the SPG of 15% is far too high. Even a 5% threshold would mean that one in twenty dwellings would be beyond the reach of local people; and the threshold of 15% could mean that the percentages of second/holiday homes could increase massively in communities that were not so affected in this regard meaning that buyers of properties for a second home or holiday accommodation may would buy in the nearest community that has not reached the threshold, increasing the percentage there.	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2e	A total moratorium is needed on second homes/holiday accommodation, refusing to allow more in any community, no matter how little the percentage is there at present, until the problem is generally under control.	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
				No changes to the Review Report in light of this comment
Ieuan Wyn, Cylch yr Iaith	46	46/2f	3.69 Alternative accommodation developments (glamping) are growing into an increasing problem, in the absence of sound management of them. As the Morfa case, Clynnog Fawr shows, permission for such sites is an issue that is not sufficiently addressed by the Local Authority, and the Authority itself is reluctant to address planning breaches on sites, even when the issue is highlighted.	<p>The comment is not relevant The comment is not relevant to the Review Report.</p> <p>Recommendation This is not a matter for a Review Report.</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2ff	3.70 This clause should be changed to read: ' ... consideration of community issues including language and culture, environmental and the requirements of the camping sector.' Providing for over-tourism encourages further over-tourism, and exacerbates its repercussions: the progress of holiday camps is not just a matter of landscape sensitivity.	<p>Accept the comment The report should be amended to include the words "language and culture".</p> <p>Recommendation Amend paragraph 3.70 to read as follows:-</p> <p>3.70 The camping policies in the Plan will need to be reviewed, and give consideration to community <u>(including language and culture)</u> and environmental issues and the requirements of the camping sector.</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2g	3.71 We agree that the policies in the Joint LDP relating to tourism need to be 'revisited' but must be revisited in the light of the growing evidence about the effects of over-tourism on the communities of the LDP area, as well, particularly given the huge increase in visitor pressure over the last three years. Brexit and the Covid crisis have highlighted fundamental weaknesses in regulatory provision in relation to tourism, and the unsoldness of communities in the face of unmet progress for second homes, holiday accommodation, tourism facilities and additional infrastructure. The current situation must be confronted, addressed, the current problems counteracted and their progress blocked	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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Ieuan Wyn, Cylch yr Iaith	46	46/2ng	<p>There should be clear and definite definitions of sustainable and unsustainable tourism so that they can be distinguished from one another when formulating the Visitor Economy strategy. There should be criteria and specific indicators which note overcrowding points – levels of overprovision - for all types of tourist developments. In relation to the visitor economy strategy, we ask the planning authority to take full account of the conclusions of the following studies: Phillips, D., and Thomas, C. The Effects of Tourism on the Welsh Language in North-West Wales. Aberystwyth: University of Wales Centre for Advanced Welsh and Celtic Studies, 2001.</p> <p>Peeters, P., and others. Research for TRAN Committee - Overtourism: impact and possible policy responses. Brussels: European Parliament, Policy Department for Structural and Cohesion Policies, Brussels, 2018.</p>	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2h	<p>3.86 The Local Market Housing Policy should be extended to the whole of Gwynedd and ensure that its operation is effective so that it makes a real difference in the housing crisis.</p>	<p>Note the comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting Local Market Housing Areas, therefore the issue raised in this comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/2i	<p>3.89 In order to achieve balanced and sustainable growth in communities meeting different needs, it should be ensured that housing associations implement the Housing Mix policy by providing affordable housing for letting/affordable housing to buy in their developments.</p>	<p>Note the comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting the Housing Mix policy, therefore the issue raised in this comment will be considered when revising the evidence base.</p> <p>Recommendation</p>

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				No changes to the Review Report in light of this comment
Bourne Leisure (c/o Tobias Robinson, Litchfields)	47	47/2a	Whilst the emerging LDP will need to reflect the emerging TAN15 it is also important that it provides policies that cover nuanced scenarios that are not addressed by this national guidance. For example, local policy support should be provided for appropriate development at existing holiday parks that are located in Flood Zone 3 (Rivers and Seas) where this would not create additional risks from flooding, as demonstrated by a Flood Consequences Assessment. The emerging TAN15 provides guidance for changes of use but is silent on guidance on redevelopment within the same use class/same use.	<p>Note the comment It is not the intention of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the plan preparation process.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure (c/o Tobias Robinson, Litchfields)	47	47/2b	The emerging LDP should also be clear that development on undeveloped parcels within the operational boundaries of holiday parks should be treated as though it was previously developed land so that appropriate development could be allowed outside of Zone 1. Local policy provision for appropriate development that does not generate additional flood risk would not conflict with the overall objectives of the emerging TAN. This provision would allow operators to continue to invest in their parks and resorts. In turn, it would contribute towards any Council objectives to support the rural economy and would align with national planning policy support for the tourism industry.	<p>Note the comment It is not the intention of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the plan preparation process.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Question 3 – Part 3 of the Review Report refers to the issues that will be reviewed in the current Plan when preparing the Replacement Plan. Is there any issue that has not been addressed?

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Dafydd Griffiths	4	4/3	There is considerable explanation for the DCO process and extensions at the request of the Minister of Energy and Horizon. There is no reference to the publication of the document or the PINS recommendation.	<p>Note the comment Section 2.63 to 2.67 of the Review Report refers to the situation in relation to Wylfa Newydd. This is an important issue to consider when preparing the revised Plan and therefore all background information and associated documents, including the document that is referred to, will be relevant to consider. It is not considered necessary however to specifically refer to this document or PINSs recommendation within the Review Report.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
John Griffiths	5	5/3	There needs to be a wider view of developments along both sides of the Menai Strait. There is a casual and monocular view of each new development. The two counties, NRW and the relevant local councils should be required to comment on all proposals. There is a creeping and detrimental cumulative effect of looking at each proposal. There seems to be no overall strategy that has its primary aim of conservation and biodiversity. The new pedestrian walkway and planning proposals at Ynys Y Big demonstrate a disregard for the protection of wildlife as all agencies fail to engage considerably. There is a failure to examine why a development is needed. So many of the houses along the Menai Strait are second homes and are let out. More applications are being made to add to light pollution and tree loss. Anglesey in particular need to consider the impact of development on the visual effect from Arfon.	<p>Note the comment The duty to consult on planning applications is contained within the Town & Country Planning (Development Management Procedure) (Wales) Order 2012 and Development Management Manual (Revision 2 – May 2017). The decision to consult with a neighbouring authority is made on a case by case basis.</p> <p>The cumulative impact of any development is an important issue for the plan. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment in terms of the cumulative impacts of developments will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Malcolm Brymer	6	6/3	Possible consideration of Local "need" for retail and services following the substantial increase in work from home policies and regimes. Joining activities with going to work journeys are now significantly reduced, so access in	<p>Note the comment The effect of the pandemic is referred to in paragraphs 2.70 to 2.73. Full consideration will need to be given to employment and retail issues during the preparation of the Revised Plan. However,</p>

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			<p>all settlements to local household and food shopping should now be considered. Limited and Select major shopping areas are no longer suited to the new "work from home" post Covid affect.</p> <p>Call for Sites which no doubt the Council will do in due course.</p>	<p>the purpose of the Review Report is not to detail any changes that will be made to the Plan's policies.</p> <p>Further consideration of these issues will be given as the process of drawing up the revised Plan progresses.</p> <p>In terms of the call for new sites, it is noted that, in accordance with the Local Development Plan Regulations, Councils will undertake a call for Candidate Site exercise where submissions are invited from interested parties wishing to obtain land for inclusion in the Revised Plan, either for development, re-development or protection from development.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Cnllr. Robert Llewelyn	8	8/3	<p>Why was the Democratic right of Councillors on Ynys Mon taken away from them when the FULL COUNCIL were not allowed to make the decisions on LARGE DEVELOPMENTS. It was decided after the development at Ty Mawr Llanfair PG for a CHESHIRE OAKS type of development resulted in it being called in by the Cardiff Government and refused. I was the Portfolio holder for Planning at t.he time and i was against the development and lost my position as Portfolio Holder. A disgusting disregard for the environment by our Planning Department.</p>	<p>Comment not Relevant It is not the purpose of the Review Report to discuss individual application. It is also noted that the development referred to was assessed under the previous planning policy framework and not the Joint Local Development Plan</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Cnllr. Mike Stevens	12	12/3	<p>The joint working with Anglesey must ended as at it has an adverse effect on communities in the South of Gwynedd. More focus is given by Gwynedd Council staff and Councillors on the JLDP committee to Anglesey than to areas in the south of Gwynedd. We need 100% focus by staff and Councillors on Gwynedd with no distraction about Anglesey. Too many staff have little knowledge or concern about anywhere south of Porthmadog. It is self evident the joint working is now not fit for purpose given</p>	<p>Comment not Relevant The future of the Joint Planning Service is not part of the Local Development Plan process.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			the desperate housing crisis we now have in south Gwynedd.	
Ifan Hughes, Isle of Anglesey County Council	14	14/3a	Point 3.46 – Although there has been no recent review, it must be noted that there has recently been a refresh – Health Check.	<p>Comment Accepted Include reference to the recent Shoreline Management Plan (SMP2) health check in the report.</p> <p>Recommendation Include the changes to paragraph 3.46 as shown below:</p> <p>No review of the Shoreline Management Plan (SMP) 2 has taken place in the period since the adoption of the JLDP <u>but a refresh project and health check is currently being undertaken. Any changes to the SMP following the refresh project will be an important part of the Replacement Plan’s evidence base to inform any future policies.</u> and the guidance contained in that document which influenced the current JLDP is therefore still of relevance. However, as noted above, there is now a greater emphasis on Local Authorities to be incorporating and acting on the guidance contained in the Shoreline Management Plan, it will therefore be appropriate to ensure that the relevant Policy contained in the JLDP (Policy ARNA 1: Coastal Change Management Area) is aligned with the National Planning Policy guidance.</p>
Ifan Hughes, Isle of Anglesey County Council	14	14/3b	Point 3.84 and 3.85 – Confirmation required that you want to consult us on site allocations etc.	<p>Note the Comment The Highways Service of both Councils have an important part to play in selecting designations for the plan and will be involved in site selection as they were during the original LDP process.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ifan Hughes	14	14/3c	Point 3.125 – We consider that the SPG on parking needs to be reviewed to create a joint one.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment in terms of creating a new SPG will be taken into account when revising the evidence base.</p>

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				<p>Recommendation No changes to the Review Report in light of this comment</p>
Richard Evans-Snarr, Welsh Government	15	15/1	Welsh Government Highway Development Control department would welcome inclusion in any discussions that may lead to a review of the LPA SPG on Parking Standards.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment in terms of creating a new SPG will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Peter Nicholas Horsley, Mineral Product Association Cymru / Wales	18	18/3	<p>Revised strategic policies on renewable technology may need to consider CCUS within the Local Plan review. We welcome reference to the Regional Technical Statement, 2nd Review. We emphasise how important it is to reflect that the figures used in the RTS have a baseline of 2016 and may need to be reviewed to ensure both the amount of mineral worked since 2016 and the revised aspirations of the plan, particularly if the revised LDP are taken in to consideration. This may have an impact upon demand, the need for additional reserves and upon the safeguarding of mineral resources. It is important that the plan is supported by a robust evidence base, including, annual reports from the North Wales RAWP. Without these policy development will be in a vacuum.</p> <p>The report makes reference to a Sub-Regional Statement of collaboration. We are not aware that such a document has been prepared. This would need to be considered by the RAWP. Minerals provision needs to be reflected in the table in Section 4.3 of the Review Report</p>	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and minerals policies and the issues raised in the comment will be considered when revising the evidence base. The evidence base will be informed with the most up to date information available at the time.</p> <p>In terms of the comment regarding the Sub-Regional statement, the Review Report in paragraph 3.118 stipulates the requirement for Local Mineral Authorities to collaborate. Further consideration is being given to the requirement of a Sub-Regional Statement of collaboration.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Sion Wyn Evans, Caernarfon Royal Town Council	19	19/3a	The importance of protecting the Welsh language, particularly in terms of major developments, should be emphasised.	<p>Note the Comment The Welsh language is addressed in paragraphs 3.9 to 3.12 of the report. In accordance with the Planning (Wales) Act 2015 LPAs have a duty when making a decision on a planning application to have regard to the Welsh language. This is further supported by</p>

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				<p>paragraph 3.25 of PPW (11th ed, Feb 2021) and in Technical Advice Note 20: Planning and the Welsh language (2017). Further consideration of these issues will be given as the process of preparing the replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Sion Wyn Evans, Caernarfon Royal Town Council	19	19/3b	3.17 - 3.20 - Open Spaces In terms of the Fields in Trust standard of 2.4 hectares of recreational open space per 1000 population to meet the objective of increasing opportunities for people to participate in active and healthy communities – the Council agrees that the creation of open spaces is important.	<p>Note the Comment</p>
Sion Wyn Evans, Caernarfon Royal Town Council	19	19/3c	<p>3.21 - 3.23 - Information and Communication Technology</p> <p>The Council considers it essential to ensure that the infrastructure is in place for any proposed development.</p>	<p>Note the Comment Infrastructure is addressed in paragraphs 3.13 to 3.16. Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Sion Wyn Evans, Caernarfon Royal Town Council	19	19/3ch	<p>3.27 - 3.32 - Sustainable Development and Climate Change</p> <p>The Council believes that any development should be sustainable and take account of any adverse impact on climate change</p>	<p>Note the Comment Sustainable development is central to National, regional and local policy.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Sion Wyn Evans, Caernarfon Royal Town Council	19	19/3d	3.63 - 3.71 - The Visitor Economy - "The tourism policies in the plan seek to support the development of the tourism industry throughout the year, while ensuring an appropriate balance between economic, community considerations and ensuring that the natural, built and historic environment is protected." - Agree with this	<p>Note the Comment</p>

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			comment (3.63). Caernarfon is a World Heritage Site, and there is a need to be positive in terms of tourism, recognising that some risks also exist.	
Sion Wyn Evans, Caernarfon Royal Town Council	19	19/3dd	3.82 - 3.85 - Location of Housing - The Council considers that with any new housing development, and determining the location of the development, it should be ensured that the infrastructure is in place in advance. In recent years new housing estates have been built in Caernarfon and the schools are full. Before building such housing estates, it should be ensured that there is sufficient space in the schools for the children, and also to consider the demographics of the area.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Mr & Mrs Parry c/o Claremont Planning	20	20/3	It is considered that Part 3 of the Review Report appropriately identifies the issues to be reviewed when preparing the Replacement Plan. Claremont Planning however raise concern as to the Council's proposals regarding housing scale and growth set out within Section 6.4 of the Review Report. Whilst supportive of the need to ensure that the Replacement Plan is informed by an up-to-date assessment of housing need, however, the Council's assertion that the current growth figures are not appropriate in light of the Council's continued under-delivery of housing cannot be supported. The Council should instead afford a more detailed review to their spatial strategy and site selection process to ensure that those sites allocated are viable, and deliverable, within the timescales identified. If settlements which have already received their apportioned levels of growth are the most sustainable locations for development, then the further provision of growth at these settlements should be supported by the Council. The Review Report also establishes that it will be necessary for the Replacement Plan to consider the suitability of housing allocations. It is imperative to ensure that housing allocations are deliverable and site capacities informed by detailed	<p>Comment Partly Accepted It is acknowledged that the second sentence within paragraph 3.80 of the Draft Review report could be interpreted that a review of the housing figure is required due to the plan not delivering the expected level of growth. The Housing Growth section of Planning Policy Wales (PPW) (paragraphs 4.2.3 to 4.2.9) outline the matters that need to be considered in relation to the growth level included within a development plan. The remaining parts of paragraph 3.80 address these matters however for completeness reference to PPW is included within the paragraph.</p> <p>A call for sites as part of the process of preparing the Replacement Plan will be undertaken and the suitability of any sites will be assessed under this process.</p> <p>Recommendation In light of this it is recommended that the second sentence within paragraph 3.80 is deleted as shown below:</p> <p>3.80 The annual development level has not met the corresponding figure in the housing trajectory in any year since the Plan was adopted and has only met the average development figure once (in 2018/19). It is therefore considered that the growth figure needs to be re-looked at to consider its suitability and also review</p>

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			<p>technical assessments which accurately account for site constraints.</p> <p>In light of the above, the land opposite Tywyn Hospital is considered to be a highly suitable site for allocation for residential development through the Replacement Plan.</p>	<p>the method of establishing this figure. Consideration should be given to whether the rationale and the different elements involved in the establishment of the growth figure remain suitable and also assess if there are new aspects that also need to be considered. It is important to undertake this work in the context of the requirements of the Development Plan Manual (Edition 3, March 2020) and PPW (Ed 11 Feb 2021), in terms of considering matters such as, for example, the latest population and household projections, past development rates, migration patterns and considerations in relation to the Welsh language. It will also be important to consider the influence of the Strategic Development Plan for the North Wales region as a hub in Future Wales.</p>
Gareth Thomas, Natural Resources Wales (NRW)	24	24/3a	<p>We note within paragraph 3.30 of the draft Review Report that “the emerging revised TAN 15 will need to be considered as part of the Plan process”. We agree with this statement but would also advise that an updated/replacement Strategic Flood Consequences Assessment (SFCA) will be required, or clear justification should be provided as to why an updated/replacement SFCA is not required. We refer you to the Minister for Climate Change’s letter dated 23 November 2021, which states that the SFCA should “be informed by the Flood Map for Planning”. We also refer you to the letter from Welsh Government’s Chief Planner (dated 15 December 2021) which states: “When plans are reviewed, the flood risk considerations that feed into the settlement strategy and site allocations must be in accordance with the new TAN 15 and the Flood Map for Planning. The SFCA will be the principal source of evidence to inform those elements of the plan and locally specific flood risk policies”.</p>	<p>Note the Comment Updated strategic flood consequences assessments will have to be prepared as part of the replacement plan's evidence base. The evidence will be based on the relevant national planning policy guidance at the time of writing the evidence.</p> <p>The adoption date of the revised TAN 15 has been delayed until the middle of 2023. This change in timescale for adoption will be taken into consideration.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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Gareth Thomas, Natural Resources Wales (NRW)	24	24/3b	Section 3.3-3.41 discusses renewable energy, although Morlais and other offshore renewable energy schemes lie outside of the JLDP, the infrastructure that connects to the grid is of relevance and included in planning considerations and should potentially be mentioned here.	<p>Note the Comment Paragraph 3.33 does refer to Other Renewable and Low Carbon Energy Technology. Further consideration of renewable energy technologies will be given to the matter during the plan preparation process.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gareth Thomas, Natural Resources Wales (NRW)	24	24/3c	Section 3.42 – 3.46 – Managing Coastal Change – we welcome the recognition of the role of Shoreline Management Plans in this section to support sustainable coastal management decisions, particularly recognising the need for coastal change management areas. Section 3.46 notes that since the adoption of the JLDP there has been no review of the Shoreline Management Plan in the plan period. We recommend the Shoreline Management Plan Refresh project is mentioned here and check whether any significant observations were made during this review	<p>Comment Accepted Include reference to the recent Shoreline Management Plan (SMP2) health check in the report.</p> <p>Recommendation Include the changes to paragraph 3.46 as shown below:</p> <p>No review of the Shoreline Management Plan (SMP) 2 has taken place in the period since the adoption of the <u>JLDP but a refresh project and health check is currently being undertaken. Any changes to the SMP following the refresh project will be an important part of the Replacement Plan's evidence base to inform any future policies.</u> and the guidance contained in that document which influenced the current JLDP is therefore still of relevance. However, as noted above, there is now a greater emphasis on Local Authorities to be incorporating and acting on the guidance contained in the Shoreline Management Plan, it will therefore be appropriate to ensure that the relevant Policy contained in the JLDP (Policy ARNA 1: Coastal Change Management Area) is aligned with the National Planning Policy guidance.</p>
Alwyn Gruffydd	26	26/3	The Welsh language should be insisted on as a planning condition. That is to allow development if it can be ensured by condition. It happens in other countries then why the same regime could not be adopted here.	<p>Note the Comment The Welsh language is addressed in paragraphs 3.9 to 3.12 of the report. In accordance with the Planning (Wales) Act 2015 LPAs have a duty when making a decision on a planning application to have regard to the Welsh language. This is further supported by paragraph 3.25 of PPW (11th ed, Feb 2021) and in Technical Advice Note 20: Planning and the Welsh language (2017). However it is</p>

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				<p>not the purpose of the Replacement Plan to detail any specific planning conditions.</p> <p>Determining planning applications on linguistic ability goes beyond the capability of the planning system as set out in paragraph 2.6.4 of TAN20: "LDP policies must not seek to introduce any element of discrimination between individuals on the basis of their linguistic ability. Planning policies must not seek to control housing occupancy on linguistic grounds".</p> <p>A Welsh Language Impact Statement will be undertaken to assess the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Eva Stevens	31	31/3	Tywyn's position and investment %.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment regarding the status of Tywyn will be taken into account when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Nina Bentley	34	34/3	We need environmental impact to be the focus, the central reasoning of all policy and all developments, and we need more group accountability within and outside of planning	<p>Note the Comment The importance of the environment runs through the Review Report. Both national and local policy states that environmental protection is necessary in dealing with any planning application. Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Noel Davey, Council for the	35	35/3a	Cumulative impact - Planning decisions are required to be made on the merit of individual applications in isolation and do not usually consider the cumulative impact of	<p>Note the Comment Agree that cumulative impact of any development is an important issue. As part of the process of preparing the Replacement Plan it</p>

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Protection of Rural Wales (CPRW)			permissions for successive developments of similar type, even though precedent is widely cited in support in evidence in both applications and appeals. An adverse impact, notably on the landscape, only comes to be realised too late to prevent the cumulative damage. This has been acknowledged to some extent in guidance for caravan sites (TWR3/5) and renewable energy (ADN1/2) and through landscape sensitivity and capacity studies. Consideration of potential cumulative impacts should be a more general requirement for all relevant developments, including, for example, house rebuilds. It might be incorporated in the generalised sustainable development policies (eg PCYFF 3) as well as in more specific policies.	<p>will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment in terms of the cumulative impacts of developments will be taken into account when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Noel Davey, Council for the Protection of Rural Wales (CPRW)	35	35/3b	Sustainable Development Policies - The overarching policies requiring consistency with the principles of sustainable development (especially PCYFF 2,3,4) apply to most planning developments. These have an inevitable degree of vagueness and subjectivity. They replace the larger number of more prescriptive policies applied in previous LDPs to specific types of development. They seem to us to be introducing an element of arbitrariness in some decisions in areas where a more prescriptive policy would leave both applicants and the planning office in a clearer position. (Ref: Draft Review 3.31-3.32)	<p>Note the Comment Although it is not the purpose of the Review Report to detail any specific changes to the Plan, as part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be taken into account when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Noel Davey, Council for the Protection of Rural Wales (CPRW)	35	35/3c	Control of scale of house (especially second home) rebuilds both within and outside settlement development boundaries – TAI 5 restricts new housing in specific local, rural and coastal villages to local/affordable need and in terms of maximum size. TAI 6 restricts new houses in rural clusters to affordable need and appropriate size. TAI 13 specifies (#7) that replacement dwellings (rebuilds) outside development boundaries should be of similar scale, size and footprint to the original dwelling. AT 3 requires that developments of significant non-designated heritage assets are treated appropriately. These policies do not provide adequate control of the appropriate scale, height, massing,	<p>Note the Comment Although it is not the purpose of the Review Report to detail and specific changes to the Plan, as part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised regarding the scale of housing in the plan area will be taken into account when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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			design, etc of: *Replacement houses within development boundaries *Extensions to houses both within and outside development boundaries. Inappropriate developments with adverse visual impact are being permitted in the judgement of many, especially in the case of holiday home rebuilds and extensions because there are not sufficiently robust, explicit and consistent policies applying. There is a perceived inequity between the strict size limits applied to affordable/local newbuilds and the frequent disregard of appropriate limits on open market house rebuilds and extensions. (Ref Draft Review: 3.86-3.88, 3.94, 3.113)	
Noel Davey, Council for the Protection of Rural Wales (CPRW)	35	35/3ch	Caravan site policies, monitoring and enforcement - Touring caravan sites widely operate as seasonal 'static' sites, ignoring the requirement in TWR 5 that tourers should be removed from the site when not in use (and not just in winter) and have limited physical connection with the ground. The meaning and intention of the policy should be clearer. The JLDP is doing little to discourage a trend for touring caravans to morph into static units. The present capacity of the Gwynedd planning service appears to be insufficient to monitor caravan sites and enforce policies effectively. It is questionable whether alternative accommodation/glamping unit sites can be treated adequately under the same policies as caravan sites. (Ref: Draft Review 3.69)	<p>Note the Comment However policy TWR 5 is not relevant to existing caravan sites that have had planning permission under a previous policy.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Noel Davey, Council for the Protection of Rural Wales (CPRW)	35	35/3d	Effective control of second/holiday homes - The spread of second and holiday homes is clearly out of control in some coastal/holiday hotspots. We share these concerns. Present policies are clearly not working. A need for review is acknowledged. It will need to be in the context of other Council and Welsh Government consultation and action. (Ref: Draft Review 2.92-2.94, 3.86-3.87).	<p>Note the Comment The control of second homes and holiday lets in an important issue. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be taken into account when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Shaun Denny	36	36/3	The reference to the Regional Technical Statement, 2nd Review is noted and welcomed. The figures used in the	Note the Comment

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			<p>RTS have a baseline of 2016 and may need to be reviewed to ensure both the amount of mineral worked since 2016 and any revised aspirations of the plan as these may in turn impact on demand for construction materials. This may have a consequential impact on the need for additional mineral reserves and upon the safeguarding of mineral resources. The Plan needs to be supported by a robust evidence base, including, annual reports from the NWRAMP.</p> <p>The report makes reference to a Sub-Regional Statement of collaboration. The Company is not aware that such a document has been prepared. This would need to be considered by the RAWP and should also be publicly available if it is to form part of the evidence base for emerging policy.</p>	<p>As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and minerals policies and the issues raised in the comment will be taken into account when revising the evidence base. The evidence base will be informed with the most up to date information available at the time.</p> <p>In terms of the comment regarding the Sub-Regional statement, the Review Report in paragraph 3.118 stipulates the requirement for Local Mineral Authorities to collaborate. Further consideration is being given to the requirement of a Sub-Regional Statement of collaboration.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council	39	39/3a	(i) Review the effectiveness of Strategic Policy 1 and adapt it until there is a strategy to prevent falls in speakers per ward. Need to review how well countywide policies promote the language to ensure that all developments are positive to the local language and culture and that all developments that are harmful to the language and culture can be rejected.	<p>Note the Comment Although it is not the purpose of the Review Report to detail and specific changes to the Plan, as part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised regarding the effectiveness of Policy PS 1 will be taken into account when revising the Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council	39	39/3b	(ii) The failure of the strategy of strengthening wards with 70% of Welsh speakers needs to be reviewed.	<p>Note the Comment The preparation of the Revised Plan will include a re-assessment of the current evidence base which will include the results of the 2021 Census. This means that changes in % of Welsh speakers within Wards can be considered and therefore if the Plan's policies have contributed to creating more communities with a percentage above 70% of Welsh speakers in line with the</p>

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				<p>strategic objective of the Plan. There will be a need to re-visit the objectives and vision, strategy and policies of the Plan and the issues raised will be taken to account when revising the Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council	39	39/3c	(iii) Need to review the handling and over-tourism and have specific policies for them.	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be taken into account when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council	39	39/3ch	(iv) The effectiveness of language reports needs to be reviewed with an assessment of their accuracy to date.	<p>Note the Comment The process of preparing the Revised Plan will provide an opportunity to assess the whole evidence base on linguistic issues including linguistic assessments and statements.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council	39	39/3d	(v) Policy TAI 5 needs to be reviewed to make it more effective with a view to protecting Welsh Communities.	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting Local Market Housing Areas, therefore the issue raised in this comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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Rhys Tudur, Nefyn Town Council	39	39/3dd	(vi) A strategy is needed to ensure that new developments are in the hands of local people so that each one has a 'principal primary residence' condition.	<p>Note the Comment As part of the preparation of the Revised Plan the evidence base, which underpins the Plan, will need to be updated. Consideration will have to be given to how units to greet local needs will be limited to this purpose.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/3a	<p>Extending Housing Policy 5 throughout Gwynedd</p> <p>Designate the whole of Gwynedd as a " linguistic sensitive area "</p> <p>The right to reject any development that will be new to the Welsh Language</p>	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting Local Market Housing Areas, therefore the issue raised in this comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/3b	<p>Adoption of Snowdonia National Park Policy 7 for the protection of traditional houses and buildings in the AONB. Limit horizontal size to dwelling extensions so that it reflects the requirements of the numbers living in the property. Permission should not be granted for an extension to second / holiday homes</p>	<p>Note the Comment It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/3c	<p>Expanding the size of affordable housing so that it is better suited to meeting modern life needs Provide more plots for the Self Build Wales Scheme and solve the problem in relation to section 106 agreements in the context that the Bank of Wales is unable to fund Self Build Construction on the developments that have a 106 agreement</p>	<p>Note the Comment It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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Gruffydd Williams	40	40/3ch	Adding the right to convert outbuildings into houses with section 106 . This exists in England under the Permitted Development Rights and the Localism Act	<p>Note the Comment It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Wendy Jakeman	44	44/3	Yes, education and training, skills, crafts and culture. More social opportunities that don't involve alcohol. More opportunities for live music.	<p>Note the Comment It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Dafydd Ioan Hughes	46	46/3	Paragraph 3.8 refers to cultural values it should be clearly stated what Gwynedd Council's definition of the 'cultural values' of the Welsh communities of the area is, and how those cultural values are to be protected	<p>Note the Comment It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3a	Tourism should be recognised positively within the vision and strategic objectives in replacement plan due to its significant contribution to the local economy and national planning policy support for the tourism industry. PPW provides support for the tourism industry within the Well-being goals, established holiday parks in Gwynedd and Anglesey provide significant employment opportunities for local people, which in turn allows local people to live locally and for the Welsh Language to be a key part of day to day life. PPW also recognises that there is a need to diversify the rural economy, ensuring that it is resilient to change and fit for the future, Building Better Places (July	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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			2020), which sits alongside PPW, also highlights the value placed by the Welsh Government on the tourism industry and the need to support its recovery following the Covid-19 pandemic	
Park Leisure Ltd, c/o Litchfields	23	23/3b	The aspiration for Anglesey and Gwynedd to be places where people choose to visit should be carried forward within the Replacement LDP vision in order to reflect the trend of domestic holidays and to align with national policy.	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3c	In line with national policy, the aims of diversifying the rural economy, building on opportunities, creating employment and managing the area as a tourist destination that meets current needs and provides benefits throughout the year should be continued within the strategic objectives of the Replacement LDP.	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3ch	The emerging LDP should identify climate change as a critical challenge and support sustainable progress, whilst also providing an appropriate framework to enable development that will deliver the Councils' emerging vision and objectives. In particular, this framework should include policies that support opportunities for sustainable development including those related to domestic tourism in the UK. An attractive Welsh tourism sector will be essential to encourage domestic holidays. To achieve this, the LDP must encourage investment by a variety of companies	<p>Note the Comment Climate change is addressed in paragraphs 2.59 - 2.62 of the report. Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
				<p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3d	<p>The emerging LDP should provide opportunities to deliver renewable energy infrastructure in appropriate places. Any future policy on renewable energy generation should provide adequate amenity protection for sensitive uses, including visitor accommodation and static caravans, against unacceptable adverse impacts of renewable energy generation, which may have unintended consequences for the visitor economy.</p>	<p>Note the Comment The issues referred to the representor have been addressed in specific parts of the Review Report.</p> <ul style="list-style-type: none"> - Renewable energy, para 3.33 - 3.41 - Tourism, para 3.63 - 3.71 <p>Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3dd	<p>Agree that increasing trend for domestic holidays as a result of the covid pandemic and brexit, . Even with the easing of restrictions in the coming year(s), the drivers for increased “staycations” are not likely to wane. Authorities in Wales will be reviewing how they attract important visitor spending to support their economies. This includes supporting businesses to deliver and sustain high quality tourism facilities. Failing to provide a positive policy framework will result in companies investing elsewhere and in turn tourists choosing alternative destinations.</p>	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3e	<p>The emerging LDP should maximise the opportunities provided by the tourism industry to benefit the local economy, including support for a net increase in units and changes to pitch types. The current restrictive policy does not allow for well-conceived development within areas of landscape sensitivity (SLA and AONB). Whilst the beautiful surroundings of Gwynedd and Anglesey are one of the key draws for visitors, this should not mean that any landscape designations must result in a blanket ban of additional units. There will undoubtedly be examples of where such</p>	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			<p>development could take place without any unacceptable adverse impacts upon those designations, particularly where there are opportunities for mitigation and enhancement strategies to improve existing site context. The current policy approach does appear to be stifling opportunity for sustainable high quality development. Instead, policy should be framed in a way that can bring wider benefits to Gwynedd and Anglesey. A positive approach should also be applied to sites outside of the landscape sensitive areas. The policy in the new LDP should not impose a blanket restriction or limitation on unit numbers. Rather the policy framework should set out the criteria that need to be considered when proposing and determining planning applications for development at holiday parks. There may be site constraints that do result in only a limited increase in unit numbers but this should be a result of proper site assessment and not a starting point.</p>	
Park Leisure Ltd, c/o Litchfields	23	23/3f	<p>The Councils' concerns regarding the purchase of dwellings for second homes / holiday lets has the potential to be tempered by the provision of more accommodation on holiday parks. There is significant demand for owners to purchase caravans for holiday use at all of Haven's parks, and where Haven cannot deliver spaces or they buy dwellings to meet the need for a weekend bolthole. There are opportunities in the emerging LDP to consider these issues together and to reach positive solutions.</p>	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be taken into account when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3ff	<p>Updating the evidence base for tourist accommodation provision will need to be a key part of the emerging LDP. The scope of the review set out in para 4.3 is too narrowly focussed on the negatives of the tourist industry, rather than recognising its importance and identifying ways in which holiday operators can help the Councils achieve wider objectives of the LDP</p>	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be taken into account when revising the evidence base.</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
				<p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3g	The Draft Review Report acknowledges the evolving demand for alternative accommodation within holiday parks at paragraph 3.69. We endorse this point and note that it is important that holiday parks are able to meet the demand for a range of higher quality accommodation and facilities. However, this should not be restricted to alternative forms of accommodation, and the enhancement of existing types of accommodation on holiday parks including static caravans and lodges should also be supported by the emerging policy framework.	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3ng	The Report states at paragraph 3.63 that the tourism policies in the adopted LDP seek to support the development of an all-year round tourism industry. We endorse this position and consider that this support should be carried forward in the Replacement LDP.	<p>Note the Comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3h	The emerging LDP should provide flexibility as to how developers can achieve biodiversity net gain by including options for onsite or offsite provision of habitat and a mechanism for applicants to make a financial contribution to a local authority strategic programme. This approach, would allow for the coordinated creation of habitat in appropriate locations, which could bring greater cumulative benefits than the fragmented alternative.	<p>Note the Comment It is not the intention of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3i	Paragraph 3.70 states that the Landscape Sensitivity and Capacity Study (2014) may need to be reviewed to inform the policies in the new plan. In doing so, the Study, whilst providing helpful baseline information for consideration of the issues, can only ever be a starting point in the determination of an application. Such studies cannot look at every single site and without scrutiny cannot become a de facto designations/constraints plan. It will be vital that the Study is consulted upon – particularly if it is to be used as part of the decision-making process for planning applications	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting the Landscape and Sensitivity and Capacity Study therefore it would be premature to detail any specific changes to the plan's policies. The issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
Park Leisure Ltd, c/o Litchfields	23	23/3j	<p>A pragmatic approach should be taken when assessing landscapes and impacts. It is important to consider sites on a case-by-case basis within the broader context of the Landscape Character Areas. This is particularly important owing to the extent and scale of each Landscape Character Area as well as the variations in landscape character and site-specific characteristics within these areas.</p> <p>Furthermore, where development already has an effect, then further development should be analysed in terms of its net effect (rather than looked at in isolation) and this weighed against other benefits, such as sustainability. This approach can apply to various forms of development, not just tourism.</p>	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting Landscape Character Areas, therefore the issue raised in this comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Litchfields	23	23/3l	<p>Provision should be made within emerging policy for sensitively designed tourist accommodation development in or in the setting of protected landscape areas to respond to the opportunities presented by the tourism industry to boost the local economy. Sustainable, well designed development within the boundary of established parks is currently being stifled by the blanket ban on net increase in units in the SLA and AONB. Having a more flexible policy in relation to development in protected areas would allow for each proposal to be assessed on its merits and could facilitate development that is highly beneficial for the local area and its economy.</p>	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting the Landscape and Sensitivity and Capacity Study therefore it would be premature to detail any specific changes to the plan's policies. The issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Litchfields	47	47/3a	<p>Tourism should be recognised positively within the vision and strategic objectives in replacement plan due to its significant contribution to the local economy and national planning policy support for the tourism industry. PPW provides support for the tourism industry within the Well-being goals, established holiday parks in Gwynedd and Anglesey provide significant employment opportunities for local people, which in turn allows local people to live locally and for the Welsh Language to be a key part of day to day life. PPW also recognises that there is a need to diversify the rural economy, ensuring that it is resilient to</p>	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			change and fit for the future, Building Better Places (July 2020), which sits alongside PPW, also highlights the value placed by the Welsh Government on the tourism industry and the need to support its recovery following the Covid-19 pandemic	
Bourne Leisure, c/o Litchfileds	47	47/3b	The aspiration for Anglesey and Gwynedd to be places where people choose to visit should be carried forward within the Replacement LDP vision in order to reflect the trend of domestic holidays and to align with national policy.	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3c	In line with national policy, the aims of diversifying the rural economy, building on opportunities, creating employment and managing the area as a tourist destination that meets current needs and provides benefits throughout the year should be continued within the strategic objectives of the Replacement LDP.	<p>Note the Comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3ch	The emerging LDP should identify climate change as a critical challenge and support sustainable progress, whilst also providing an appropriate framework to enable development that will deliver the Councils' emerging vision and objectives. In particular, this framework should include policies that support opportunities for sustainable development including those related to domestic tourism in the UK. An attractive Welsh tourism sector will be essential to encourage domestic holidays. To achieve this, the LDP must encourage investment by a variety of companies	<p>Note the Comment Climate change is addressed in paragraphs 2.59 - 2.62 of the report. Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
Bourne Leisure, c/o Litchfileds	47	47/3d	The emerging LDP should provide opportunities to deliver renewable energy infrastructure in appropriate places. Any future policy on renewable energy generation should provide adequate amenity protection for sensitive uses, including visitor accommodation and static caravans, against unacceptable adverse impacts of renewable energy generation, which may have unintended consequences for the visitor economy.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3dd	Agree that increasing trend for domestic holidays as a result of the covid pandemic and brexit, . Even with the easing of restrictions in the coming year(s), the drivers for increased “staycations” are not likely to wane. Authorities in Wales will be reviewing how they attract important visitor spending to support their economies. This includes supporting businesses to deliver and sustain high quality tourism facilities. Failing to provide a positive policy framework will result in companies investing elsewhere and in turn tourists choosing alternative destinations.	<p>Note the Comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3e	The emerging LDP should maximise the opportunities provided by the tourism industry to benefit the local economy, including support for a net increase in units and changes to pitch types. The current restrictive policy does not allow for well-conceived development within areas of landscape sensitivity (SLA and AONB). Whilst the beautiful surroundings of Gwynedd and Anglesey are one of the key draws for visitors, this should not mean that any landscape designations must result in a blanket ban of additional units. There will undoubtedly be examples of where such development could take place without any unacceptable adverse impacts upon those designations, particularly where there are opportunities for mitigation and enhancement strategies to improve existing site context. The current policy approach does appear to be stifling opportunity for sustainable high quality development. Instead, policy should be framed in a way that can bring wider benefits to Gwynedd and Anglesey. A positive	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting the Landscape and Sensitivity and Capacity Study therefore it would be premature to detail any specific changes to the plan's policies. The issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			<p>approach should also be applied to sites outside of the landscape sensitive areas. The policy in the new LDP should not impose a blanket restriction or limitation on unit numbers. Rather the policy framework should set out the criteria that need to be considered when proposing and determining planning applications for development at holiday parks. There may be site constraints that do result in only a limited increase in unit numbers but this should be a result of proper site assessment and not a starting point.</p>	
Bourne Leisure, c/o Litchfileds	47	47/3f	<p>The Councils' concerns regarding the purchase of dwellings for second homes / holiday lets has the potential to be tempered by the provision of more accommodation on holiday parks. There is significant demand for owners to purchase caravans for holiday use at all of Haven's parks, and where Haven cannot deliver spaces or they buy dwellings to meet the need for a weekend bolthole. There are opportunities in the emerging LDP to consider these issues together and to reach positive solutions.</p>	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3ff	<p>The Review Report notes that the emerging LDP will need to fulfil the new national policy requirement to be informed by the Shoreline Management Plan for the area. Whilst the emerging LDP will need to fulfil the PPW requirement, it should also provide opportunities for landowners to conduct their own flood defence works. These flood defences can provide vital protection for existing operations, which would otherwise not be able to continue. Hence, this provision will be important in supporting any Council objectives to support the rural economy. This approach would also take account of PPW paragraph 6.6.28.</p>	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Private sea defences can be constructed provided they do not conflict with the SMP objectives for an area. In the draft new Technical Advice Note (TAN) 15: Development, flooding and coastal erosion such areas will not become part of the TAN 15 Defended Zones unless they are managed by Risk Management Authorities. A review of this position will be undertaken when the new TAN 15 is published.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
Bourne Leisure, c/o Litchfileds	47	47/3g	Updating the evidence base for tourist accommodation provision will need to be a key part of the emerging LDP. The scope of the review set out in para 4.3 is too narrowly focussed on the negatives of the tourist industry, rather than recognising its importance and identifying ways in which holiday operators can help the Councils achieve wider objectives of the LDP	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3ng	The Draft Review Report acknowledges the evolving demand for alternative accommodation within holiday parks at paragraph 3.69. We endorse this point and note that it is important that holiday parks are able to meet the demand for a range of higher quality accommodation and facilities. However, this should not be restricted to alternative forms of accommodation, and the enhancement of existing types of accommodation on holiday parks including static caravans and lodges should also be supported by the emerging policy framework.	<p>Note the Comment Tourism is an important industry in the plan area and is addressed in paragraphs 3.63-3.71 of the review report. As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and tourism policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3h	The Report states at paragraph 3.63 that the tourism policies in the adopted LDP seek to support the development of an all-year round tourism industry. We endorse this position and consider that this support should be carried forward in the Replacement LDP.	<p>Note the Comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3i	The emerging LDP should provide flexibility as to how developers can achieve biodiversity net gain by including options for onsite or offsite provision of habitat and a mechanism for applicants to make a financial contribution to a local authority strategic programme. This approach, , would allow for the coordinated creation of habitat in appropriate locations, which could bring greater cumulative benefits than the fragmented alternative.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
Bourne Leisure, c/o Litchfileds	47	47/3j	Paragraph 3.70 states that the Landscape Sensitivity and Capacity Study (2014) may need to be reviewed to inform the policies in the new plan. In doing so, the Study, whilst providing helpful baseline information for consideration of the issues, can only ever be a starting point in the determination of an application. Such studies cannot look at every single site and without scrutiny cannot become a de facto designations/constraints plan. It will be vital that the Study is consulted upon – particularly if it is to be used as part of the decision-making process for planning applications	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting the Landscape and Sensitivity and Capacity Study therefore it would be premature to detail any specific changes to the plan's policies. The issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3l	A pragmatic approach should be taken when assessing landscapes and impacts. It is important to consider sites on a case-by-case basis within the broader context of the Landscape Character Areas. This is particularly important owing to the extent and scale of each Landscape Character Area as well as the variations in landscape character and site-specific characteristics within these areas. Furthermore, where development already has an effect, then further development should be analysed in terms of its net effect (rather than looked at in isolation) and this weighed against other benefits, such as sustainability. This approach can apply to various forms of development, not just tourism.	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting Landscape Character Areas, therefore the issue raised in this comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Litchfileds	47	47/3ll	Provision should be made within emerging policy for sensitively designed tourist accommodation development in or in the setting of protected landscape areas to respond to the opportunities presented by the tourism industry to boost the local economy. Sustainable, well designed development within the boundary of established parks is currently being stifled by the blanket ban on net increase in units in the SLA and AONB. Having a more flexible policy in relation to development in protected areas would allow for each proposal to be assessed on its merits and could facilitate development that is highly beneficial for the local area and its economy.	<p>Note the Comment As part of the process of preparing the Replacement Plan the evidence base, which underpins the Plan, will be updated. This will include re-visiting the Landscape and Sensitivity and Capacity Study therefore it would be premature to detail any specific changes to the plan's policies. The issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Question 4 – Part 4 of the Review Report (page 47 to 49) sets out the type of evidence base that will need to be updated/prepared when reviewing the Plan? Is there any additional evidence base that needs to be considered?

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
Dafydd Griffiths	4	4/4	Evidence is required on the willingness and ability of Gwynedd and Mon residents to undertake more journeys by walking, cycling and using Public Transport.	<p>Accept the comment.</p> <p>Ensuring that development is located in places that are accessible to travel by a variety of sustainable modes of transport is a key objective of National Planning Policy together with the existing LDP.</p> <p>Although it is noted in this part of the document that the evidence base list that will need to be reviewed/re-visited is not definitive, it is considered appropriate to identify work related to sustainability and accessibility as one of the issues that will need further consideration.</p> <p>Recommendation Include the additional wording to paragraph 4.4 as shown below:</p> <p>4.4 It is emphasised that the above list is not definitive and the need/demand to amend the evidence base including new evidence base when appropriate may emerge as the preparation of the Revised Plan progresses. <u>e.g. gathering further information on the accessibility and sustainability of settlements and gaining a better understanding of the links between settlements.</u></p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
John Griffiths	5	5/4	All developments should be assessed thoroughly against the Future Generations Act. There is too often, a light scrutiny of this. If something is going to be bad for the planet or for our grandchildren, then it should be disallowed	<p>Note the comment</p> <p>During the preparation of the Replacement LDP, Councils will be required to demonstrate that the Plan complies with the objectives of the act.</p> <p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>
Malcolm Brymer	6	6/4	<p>Retail demand studies to consider providing more numbers of "local" shopping opportunities to respond to the changes in "work from home" that seems to be a permanent change and therefore to reduce traffic movement.</p> <p>Housing need studies to assess to shortfall. Housing study needs to make assumptions following the change to Work from Home.</p> <p>Housing completions data to assess the need for new allocations and to re-assess more local small-scale need to again reflect the new Work from Home environment.</p>	<p>Note the comment.</p> <p>This section of the report identifies the need to prepare a retail study and to undertake further evidence gathering on housing need and growth. This part of the report is not intended to detail an exact methodology that will be used to undertake the study. It is recognised that the issues raised in the response are those that will require due attention during the evidence base gathering process.</p> <p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>
Councillor Robert Llewelyn Jones	8	8/4	Certainly- the evidence on global warming and the effects on our Islands yes Islands - I recall some years ago when I tried to convince the old Borough Council to agree to the name THE ISLES OF ANGLESEY- this as we are not one island with Ynys Cybi being the largest economic island and many other smaller islands around the main Ynys MON. Since then much of the island has been sacrificed to developers and on and on it goes. A small development in Benllech brought howls of complaints by the local Councillors and yet not a word from Ynys Mon Councillors when hundreds of houses are passed to be built on Ynys Cybi. Enough is enough - please let this beautiful island have some conservation support and not just be the fall guy for any get rich quick housing developments.	<p>Note the comment.</p> <p>The climate change crisis is one of the Councils' priorities, with a statement to that effect made by both Councils. It is noted that climate change impacts have been addressed in paragraphs 2.59 to 2.62 noting the need to weave the objectives highlighted in the Climate Change Action Plans into the Revised Plan to ensure that the Plan is a facilitator in achieving those objectives.</p> <p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
Councillor Mike Stevens	12	12/4	<p>The original 2010 and 2017 review was grossly unfair against Tywyn designating it as a local service centre. The scoring matrix designating which settlement would be classed as urban centres contained many errors underscoring Tywyn which is a very strategic to the Dysynni Valley. Tywyn is the mother town of the area with 6 large villages, Aberdyfi, Brynchrug, Llanegryn, Abergynolwyn, Rhoslefain and Llwyngwril that look to Tywyn for all their resources. Tywyn is arguably the largest town in Meirionnydd when the populations of the 6 surrounding villages are considered. Blaenau Ffestiniog is always sited as being the largest town but that is because Ffestiniog is always counted in with it. Dolgellau and Bala are much smaller settlements than Tywyn but are given far more focus and investment.</p> <p>The evidence gathered by the Planning Policy Unit for the 2017 review was very poorly conducted. When I asked a planning officer when did they visited Tywyn to gather their evidence he said they got it from Google and various web sites. That is an appalling shoddy way of making vital decisions that effect and determine the futures of children a young people in the south of the county.</p> <p>A thorough detailed review must now be undertaken. The designated "urban" centres receive considerably more investment than local service centres. Why is there no settlement south of Porthmadog designated an "Urban" centre? Tywyn must now be designated an "Urban" centre.</p>	<p>Note the comment.</p> <p>This section of the report identifies the need to re-visit the Settlement Strategy. Further consideration will in turn be given to the methodology used to identify the settlement strategy including consideration of the role of those settlements in serving the wider neighbouring communities.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Councillor Aled Evans	16	16/4	Welsh Language and Culture - The GWYNEDD HOUSING RESEARCH REPORT - Emyr Edwards presented at a Gwynedd Council briefing meeting 12/12/21 needs to be considered. Although the research is some years old it	<p>Note the comment</p> <p>The review of the JLDP will certainly consider any link between housing provision and impact on the Welsh Language. In reviewing the Plan we will consider the performance of existing housing</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			really needs to be updated using alternative methods if possible.	<p>policies and strategy since the Plan was adopted. In this respect the review will consider documents that have been prepared and relevant research that has been undertaken. There will also be full consultation with other Anglesey and Gwynedd Council departments, such as the Research Unit, along with relevant external stakeholders.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Peter Nicholas Horsley, Mineral Product Association Cymru/Wales	18	18/4	<p>The Councils are members of the North Wales Regional Aggregates Working Party (NWRAP). It is imperative that the evidence base is supported by the RAWP annual reports, both historic and current. Unfortunately, despite many requests to the NWRAP and Welsh Government, these reports remain unpublished. In the absence of such documents, it is difficult to see how any replacement plan could be considered sound.</p> <p>We urge the Councils to press the RAWP Secretary and WG to ensure the evidence is made available and this is done so prior to the RDLP being published for comment.</p>	<p>Note the comment</p> <p>Every effort will be made to ensure that the Report is published, to ensure that it gives the most accurate and up-to-date picture of the situation in moving forward with the process of preparing the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Sion Wyn Evans, Caernarfon Royal Town Council	19	19/4	<p>The Council considers that clarity is required in terms of allocating land for development or not.</p> <p>There was a need to look at the benefits, and positive aspects, of tourism.</p> <p>Consideration should be given to the impact of the new bypass on the prosperity of Caernarfon town centre, looking at the opportunities and risks.</p> <p>There were no vacant units to be filled at Cibyn Industrial Estate in Caernarfon, and this should be taken into account.</p>	<p>Note the comment.</p> <p>As noted in the report it is intended that further research will be undertaken in relation to issues relating to tourism, housing land allocations and employment sites as part of the preparation of the Replacement Plan. All of these documents will be available for inspection in the public domain as part of a library of documents that will be prepared to support the Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gareth James	21	21/4	In Paragraph 4.8, when referring to the Well-being Act and noting that 'the JLDP was considered compatible with	Note the comment

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			<p>the well-being objectives' without reference to independent robust evidence was a presumption. The requirements of the Well-being Act are of course very challenging while at the same time an opportunity to maximise the value of Plans, strategies and policies to residents. You are required to consider the impact of the Plan more than its outcome. This includes in the case of Well-being Objective 4 - Protecting and Promoting the Welsh Language - the need and opportunity to demonstrate how the LDP is having an impact on the number and percentages of Welsh speakers in Gwynedd communities with due regard to side effects such as cumulative levels in an area, and increasing the housing stock to the open market.</p> <p>A key factor in this area is that demand for housing appears to be partly (and possibly mainly) driven by the 'gentrification' of the housing market, namely investments rather than housing need. This may be driving a decline in the number and percentages of Welsh speakers as a knock-on effect to the implementation of the LDP. There is no current provision to measure this in the LDP and as a result it could be undermining one and perhaps more of the Anglesey and Gwynedd Well-being Objectives.</p> <p>Although the Council has the capacity to provide some data, it will require external expertise to produce a complete assessment of the situation to consider the true impact of the LDP over the past decade.</p> <p>Suggestion Please state clearly how you came to the view that the LDP has contributed positively to The Well-being Objective 4 of Gwynedd and Anglesey - Protecting and Promoting the Welsh Language. In Gwynedd and</p>	<p>During the Public Examination of the current LDP and at the request of the Planning Inspector, the Councils demonstrated that the Joint LDP aligns with the well-being goals set out within the act. This was done by submitting evidence to the Inspector that set out how the Policies contained in the Joint Local Development Plan aligned with the well-being objectives. That evidence was accepted by the Inspector.</p> <p>It will be necessary to ensure that the Replacement Plan is aligned with the well-being goals, ensuring that they are central to the plan's strategy and vision.</p> <p>Given that sustainable development is the core principle of the Joint LDP (and the associated Strategic Environmental Assessment), there are clear links between the aspirations of the LDP and the Well-being Act/ Local Well-being Plans.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			<p>Anglesey that would mean increasing (or maintaining) the number and percentages of Welsh speakers between 2011-2021, and preventing the loss of the language to future generations. Please provide a link to clear independent evidence to support your answer.</p> <p>OR</p> <p>One of the aims of the Plan is to increase and maintain the number of Welsh speakers in the County's communities. It is requested that external experts in language planning and community sociology assess the impact of the Plan on the numbers and percentages of Welsh speakers in the County.</p>	
Park Leisure Ltd, c/o Tobias Robinson	23	23/4	<p>The Councils' proposed review of evidence in relation to tourism should take a positive approach, taking into account the opportunities presented by potential growth in the tourism industry and not only the challenges it presents. This should include consideration of the potential to increase provision of a range of different types of accommodation and of ways to increase the length of the holiday season. The scope of this review ought to be carefully considered prior to the commissioning of any such work.</p>	<p>Note the comment</p> <p>As part of the process of preparing the Revised Scheme I will need to revise the evidence base in this area as the latest evidence will be taken into account in doing this as it would also take account of any Council strategy relating to the visiting economy. This evidence will be used when considering a need for changes to tourism policies.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Jeremy Lambe, Lambe Planning and Design	25	25/4	<p>Tourism evidence base (to reflect current circumstances), defining and recognising the significant economic and employment benefits that tourism brings, as well as balancing the requirements of the local communities, the Welsh language and the need for local housing that is affordable and uses sustainable and environmentally friendly building techniques and materials.</p>	<p>Note the comment.</p> <p>As part of the process of preparing the Revised Scheme I will need to revise the evidence base in this area as the latest evidence will be taken into account in doing this as it would also take account of any Council strategy relating to the visiting economy. This evidence will be used when considering a need for changes to tourism policies.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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Alwyn Gruffydd	26	26/4	The Welsh language should be insisted on as a planning condition. That is development should only be allowed if it can be ensured by condition. It happens in other countries then why the same regime could not be adopted here.	<p>Note the comment.</p> <p>The Welsh language is addressed in paragraphs 3.9 to 3.12 of the report. In accordance with the Planning (Wales) Act 2015 LPAs have a duty when making a decision on a planning application to have regard to the Welsh language. This is further supported by paragraph 3.25 of PPW (11th ed, Feb 2021) and in Technical Advice Note 20: Planning and the Welsh language (2017). However, it is not the purpose of the Replacement Plan to detail any specific planning conditions.</p> <p>Determining planning applications on linguistic ability goes beyond the capability of the planning system as set out in paragraph 2.6.4 of TAN20: “LDP policies must not seek to introduce any element of discrimination between individuals on the basis of their linguistic ability. Planning policies must not seek to control housing occupancy on linguistic grounds”.</p> <p>A Welsh Language Impact Statement will be undertaken to assess the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Eva Stevens	31	31/4	I don't know enough to say.	No response required.
Nina Bentley	34	34/4	We need environmental impact to be the focus, the central reasoning of all policy and all developments, and we need more group accountability within and outside of planning	<p>Note the comment.</p> <p>As part of the process of preparing the Replacement Plan together with the preparation of the accompanying Sustainability Appraisal, the impact of the Plan on environmental issues will receive appropriate and due consideration.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Noel Davey, Campaign for the	35	35/4	Analyse recent approved and refused planning applications in the context of potential cumulative impact (e.g. house rebuilds/major extensions in coastal villages,	Note the comment

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Protection of Rural Wales			caravan and glamping sites, agricultural sheds and slurry storage structures) and the interpretation and application of PCYFF policies.	<p>As part of the process of preparing the Replacement Plan the service will review PCYFF policies and issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council	39	39/4	<p>(i) The language of a school households through Estyn and Council statistics.</p> <p>(ii) A statistical comparison of the affordability of communities by looking at house prices and possibly land transaction tax. This is key evidence to measure the sustainability of communities for Future Generations.</p> <p>(iii) An assessment of the accuracy of linguistic assessments that have been.</p> <p>(iv) Statistical evidence to measure the effectiveness of TAI 5.</p> <p>(v) Provide 'forecasts' projections of the numbers of Welsh speakers in communities by comparing change from one census to another as well as land transaction statistics.</p>	<p>Note the comment</p> <p>The Replacement Plan will be informed by an updated evidence base which will enable the Councils to re-examine the strategy and policies in relation to the Welsh language and also housing. The Review Report specifies that linguistic and housing issues will be considered as part of the process of preparing the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/4	<p>In Paragraph 4.8, when referring to the Well-being Act and noting that 'the JLDP was considered compatible with the well-being objectives' without reference to independent robust evidence was a presumption. The requirements of the Well-being Act are of course very challenging while at the same time an opportunity to maximise the value of Plans, strategies and policies to residents. You are required to consider the impact of the Plan more than its outcome. This includes in the case of Well-being Objective 4 - Protecting and Promoting the Welsh Language - the need and opportunity to demonstrate how the LDP is having an impact on the number and percentages of Welsh speakers in Gwynedd communities with due regard to side effects such as</p>	<p>Note the comment</p> <p>During the Public Examination of the current LDP and at the request of the Planning Inspector, the Councils demonstrated that the Joint LDP aligns with the well-being goals set out within the act. This was done by submitting evidence to the Inspector that set out how the Policies contained in the Joint Local Development Plan aligned with the well-being objectives. That evidence was accepted by the Inspector.</p> <p>It will be necessary to ensure that the Replacement Plan is aligned with the well-being goals, ensuring that they are central to the plan's strategy and vision.</p> <p>Given that sustainable development is the core principle of the</p>

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			<p>cumulative levels in an area, and increasing the housing stock to the open market.</p> <p>A key factor in this area is that demand for housing appears to be partly (and possibly mainly) driven by the 'gentrification' of the housing market, namely investments rather than housing need. This may be driving a decline in the number and percentages of Welsh speakers as a knock-on effect to the implementation of the LDP. There is no current provision to measure this in the LDP and as a result it could be undermining one and perhaps more of the Anglesey and Gwynedd Well-being Objectives.</p> <p>Although the Council has the capacity to provide some data, it will require external expertise to produce a complete assessment of the situation to consider the true impact of the LDP over the past decade.</p> <p>Suggestion Please state clearly how you came to the view that the LDP has contributed positively to The Well-being Objective 4 of Gwynedd and Anglesey - Protecting and Promoting the Welsh Language. In Gwynedd and Anglesey that would mean increasing (or maintaining) the number and percentages of Welsh speakers between 2011-2021, and preventing the loss of the language to future generations. Please provide a link to clear independent evidence to support your answer.</p> <p>OR</p> <p>One of the aims of the Plan is to increase and maintain the number of Welsh speakers in the County's communities. It is requested that external experts in language planning and community sociology assess the</p>	<p>Joint LDP (and the associated Strategic Environmental Assessment), there are clear links between the aspirations of the LDP and the Well-being Act/ Local Well-being Plans.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep Id	Summary of Comments	Service Response and Recommendations
			impact of the Plan on the numbers and percentages of Welsh speakers in the County.	
Wendy Jakeman	44	44/4	Probably. Lack of diversify at the head of most organisations result in narrow view's and objectives being set. And I don't mean that diversity =women, true diversity recognises no borders, or barriers to taking part. Not educational, nor socio-economic, or indeed, marital status or notions of ownership.	<p>Note the comment.</p> <p>As part of preparing the replacement plan it will be necessary to undertake an equalities impact assessment which will ensure that the plan is fair and does not present barriers to participation or disadvantage any protected groups from participation in the process of preparing the plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Ieuan Wyn, Cylch yr Iaith	46	46/4	In relation to paragraph 3.5 evidence should be included showing that the implementation of the Plan Strategy since its adoption protects the cultural character of the county's communities.	<p>Note the comment.</p> <p>As part of the process of preparing the Replacement Plan it will be necessary to re-visit the existing strategic objectives and policies of the Plan ensuring that these remain relevant and meet the needs of our communities now and in the future. The assessment of relevant indicators in the Annual Monitoring Reports would form part of the evidence base in this regard.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Tobias Robinson	47	47/4	The Councils' proposed review of evidence in relation to tourism should take a positive approach, taking into account the opportunities presented by potential growth in the tourism industry and not only the challenges it presents. This should include consideration of the potential to increase provision of a range of different types of accommodation and of ways to increase the length of the holiday season. The scope of this review ought to be carefully considered prior to the commissioning of any such work.	<p>Note the comment</p> <p>As part of the process of preparing the Revised Scheme I will need to revise the evidence base in this area as the latest evidence will be taken into account in doing this as it would also take account of any Council strategy relating to the visiting economy. This evidence will be used when considering a need for changes to tourism policies.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Question 5 - Part 6 of the Review Report concludes that a full review of the Plan is required, do you agree with the conclusions?

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
Elen Wyn Parry	2	2/5	I support the need to re-look at the report together with the intention to review the Development Plan as needs in villages together and the economy have changed and the Plan will need to be amended to catch up with these changes. I am strongly of the view that a full review of the Plan needs to be undertaken as soon as possible to save our communities before it is too late.	<p>Note the comment</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
John Griffiths	5	5/5	I am strongly of the view that a full review of the Plan needs to be undertaken as soon as possible to save our communities before it is too late.	<p>Note the Comment</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Y Cyngorydd Mike Stevens	12	12/5	The current JLDP needs completely scrapping not simply reviewed. Joint working with Anglesey has been a disaster for the south of Gwynedd. Collaboration with neighbouring counties is very important however Gwynedd has a much larger boarder with Conwy and Powys than with Anglesey so why then are we tied at the hip to Anglesey? It has been intimated by some Councillors that the Welsh Government forced Gwynedd to have a joint working relationship with Anglesey. That is not true. The Welsh Government suggested joint working but there was no compulsion. For future	<p>Note the comment The future of the Joint Planning Service is not part of the Local Development Plan process.</p> <p>Both Councils believe that there is a strong cross-boundary relationship between them in terms of function, economy, infrastructure and policy. This means that collaboration on a development plan made planning and economic sense.</p> <p>Recommendation</p>

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
			generations in the south we need a new "Gwynedd Development Plan" with focus on the whole of this county from north to south and east to west.	No changes to the Review Report in light of this comment
Donna Watts	13	13/5	We consider that a full review of the plan is needed. There have been many changes since the plan was adopted in 2017 - the plans for Wylfa, Covid 19 pandemic and Brexit. These have led to major changes in the nature of the housing market, a number of second homes and house prices.	<p>Note the comment It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Any new national planning policy guidance will be considered and be central to the review process.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Y Cynghorydd Aled Evans	16	16/5	On one hand, one would agree but the impact which the housing market has on the Welsh language deserves stronger attention.	<p>Note the Comment Full consideration will need to be given to linguistic and housing issues during the preparation of the Replacement Plan. It is premature at this stage to give consideration to the exact detail of the conduct of the Review.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Vida Kelly	17	17/5	I am fully supportive of the principles of a full review of the local development plan. The land which we own in Tremadog borders on Dublin Street. Although it is within a flood zone, it is nonetheless, a defended zone and therefore could be considered in the future. It is in close proximity to Craig Madog and borders on Dublin Street and would therefore have access to all mains services. I understand there is a demand for new housing in the area.	<p>Note the comment Development boundaries is something that will be addressed during the preparation of the Replacement Plan. It is premature at this stage to consider the exact details in relation to this comment.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Sion Wyn Evans	19	19/5	Agree that a full review of the Plan is required.	Note the comment

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
				<p>Recommendation No changes to the Review Report in light of this comment</p>
Mr & Mrs Lindsey Parry	20	20/5	<p>The conclusion that a full review of the Local Plan will be required is supported by Claremont Planning. Undertaking a full review of the Local Plan will ensure that the Development Plan for the county is informed by the most up-to-date legislation and national planning policy whilst also responding to contemporary issues including climate change. Claremont Planning however challenge the Council's rationale underpinning their decision to undertake a full Local Plan review. Within Section 6 of the Review Report the Council assert that there are no substantive issues highlighted within their Authority Monitoring Reports, finding that contextual changes associated with the COVID-19 pandemic, and Brexit necessitate a full Plan review instead. Claremont Planning however consider that the Review Report illustrates that the Council is consistently underdelivering housing and as such the adopted Local Plan's spatial strategy is not being implemented effectively. This under delivery is also having implications on other areas of the Plan and indicators of the Plan's success, such as affordable housing. Paragraphs 3.96-3.98 of the Review Report establish that a total of 201 affordable units will need to be delivered by March 2021 in order to meet the Council's 1,572 affordable units by 2026 target. Within these paragraphs the Council considers that this slippage has occurred on sites designated for housing in the Plan where these sites would have been expected to provide a percentage of affordable housing. Claremont Planning therefore raise concern that the Council has failed to acknowledge both their under delivery of housing, but the wider implications of this on the affordability of housing within the County as part of their Review Report. Indeed, Claremont Planning consider that the ineffective</p>	<p>Note the Comment Although it is not the purpose of the Review Report to detail and specific changes to the Plan, as part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised regarding the scale of housing in the plan area will be taken into account when revising the evidence base. Further work in the preparation of the Replacement Plan will review updated plans and strategies relating to housing.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
			<p>implementation of the adopted Local Plan's spatial strategy alone would be sufficient to warrant a Local Plan review. Although responding to contextual issues and ensuring the Plan is based on the most recent national planning policy is pertinent, it is considered that the Local Plan review must therefore also include a review of the county's housing requirement and undertake a more detailed analysis of promoted sites to ensure that all allocations are deliverable in the broadest sense but also that the level of housing proposed through each allocation can realistically be delivered once any technical constraints have been considered.</p>	
Jeremy Lambe	25	25/5	<p>Due to the significant changes that have taken place since 2020 primarily due to the Pandemic and Brexit, it is important to ensure that if a full plan review takes place, the Plan is based on the most recent National Planning Policy Guidance, the National Planning Framework, Future Wales: The National Plan 2040, and also evidence based Plans and studies relating to tourism and the hospitality sector.</p>	<p>Note the comment It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Any new national planning policy guidance will be considered and be central to the review process. The effects of Brexit are matters that will need to be considered when preparing the replacement plan. The most recent and up to date evidence as to the effects of Brexit will be used to inform the replacement plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Alwyn Gruffydd	26	26/5	<p>I am very pleased to see that a full review of the scheme will be undertaken although the word URGENT could have been added to this clause. I am also very pleased to see that the need for "significant" changes to the current Plan is anticipated. In fact the current plan should not have been introduced at all. As a result there is an opportunity here to extend horizons offering progressive and far-reaching planning policies that reflect the real needs of our Welsh-speaking communities.</p>	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the existing policies of the Plan and respond to the most recent evidence ensuring that these remain relevant and meet the needs of our communities now and in the future.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Question 6 - We are required, when consulting on any plans or policy matters, to consider and seek views on the potential impact of any decisions on the Welsh language, on opportunities for people to use the language and the status given to it. If you have any comment about how this document deals with the Welsh language and the potential impact of the review on the language, opportunities to use it and its status (and have not already addressed the issue in answering the above questions) please state this here. Also, please explain how you believe the proposed document could be prepared or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language?

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
Y Cyngorydd Robert Llewelyn Jones	8	8/6	The Welsh language is paramount to our way of life and yet it has been an add on by planners after decisions have been made. It will continue to be smothered by English unless conscious decisions are made to say no to huge developments like the both allowed on Newry Beach and Penrhos Woods. What are planners after? Are they wanting to turn Ynys Cybi into a Butlins Complex and what will that do to the remaining Welsh language in Caergybi. Refuse these developers the permission they are after or take it for granted that	<p>Note the comment Full consideration will need to be given to linguistic issues etc. during the process of preparing the Replacement Plan. It is premature at this stage to consider the exact content of the replacement plan.</p> <p>It isn't considered appropriate to comment on specific applications/developments within the Review Report.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
			our largest town becomes an English language town - please realise this is going to happen - come on you have the power to refuse now we all understand the dangers of global warming.	
Y Cyngorydd Mike Stevens	12	12/6	Too many young Welsh speakers are forced to move out of Wales because of lack of job opportunities and increasingly lack of affordable housing If the Welsh language is to grow and thrive more investment and focus needs to be given to towns like Tywyn to retain young families.	<p>Note the comment Language issues, affordable housing and employment opportunities will need to be fully considered during the preparation of the Replacement Plan. It is premature at this stage to consider the exact details of the emerging Replacement Plan</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Vida Kelly	17	17/6	It is very important for local Welsh people to be able to purchase homes in the area.	<p>Note the comment Consideration will be given to the effectiveness of the Plan's housing policies during the process of preparing the replacement plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Sion Wyn Evans	19	19/6	According to the 2011 Census 80% of people in the Caernarfon area spoke Welsh, the highest percentage of all areas across Gwynedd and Wales at the time. Caernarfon is also a World Heritage Site. The town and its economy are dependent on tourism, and it is important to continue to develop that sector in order to create jobs in a way that protects the language and the culture of the town.	<p>Note the comment Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Jeremy Lambe	25	25/6	To continue promoting the Welsh language and the unique culture of Wales in all proposals, promote the use of bi-lingual signage, wherever possible source supplies from	<p>Note the comment Policy PS 1: The Welsh Language and Culture, safeguards, promotes and supports the use of the Welsh language. By</p>

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
			<p>local businesses and use local labour force.</p> <p>Within tourism facilities provide information about local shops, local restaurants, local services and visitor attractions, which promotes awareness of the area, the importance of the Welsh language, and encourage visitors to spend money in the local economy.</p> <p>Encourage proposals that will minimise migration from the area, and that will sustain employment within the local community, supporting local trades and supporting local businesses, many of which rely on tourism as a main source of income.</p>	<p>applying these Policies the Planning Services considers the Welsh language, when it is appropriate to do so, within the legislative and relevant national planning policy requirements.</p> <p>In accordance with Policy PS 1 of the Plan, information must be gathered and received about certain types of developments in order to reach a conclusion about the impact of the proposed development, and how the proposed development safeguards, promotes and supports the Welsh Language, e.g. are there any benefits to the Language, does the proposal need to be amended, is there a risk to the well being of the Welsh language and can the impact be mitigated in a way that mitigates risk, can the benefits be maximised, and how can the situation in the community be monitored. In respect of decisions made on a planning application, the emphasis will be on avoiding developments that would cause substantial harm to the character and language balance within a community. Planning authorities will take into account proposals, which seek to maximise the benefits where those considerations are relevant to the application.</p> <p>In the case of signs and advertisements that are subject to planning control, criterion 5 of Policy PS 1 promotes the provision of bilingual signage in public places that are part of the development. Further consideration of these issues will be given as the process of preparing the Replacement Plan progresses.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Dylan Clarke	29	29/6	<p>Many of the planning policies needed to deal with the climate emergency would also have a positive effect on the Welsh language. For example supporting smaller independent shops in towns rather than large corporations on the outskirts, dependent on cars, money flowing out to</p>	<p>Note the comment It is not the purpose of the Review Report to detail any specific changes that will be made to the Plan. Climate change and its relationship with sustainable development considerations including the Welsh language will be central to</p>

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			the markets rather than reinvested in the local community, community renewable energy projects. Sheep's wool insulation. etc	<p>the review process. Consideration will be given to all Welsh Government strategies, plans, policies and guidance relating to climate change that are current when preparing the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Catrin Sion	7	7/6	To sustain the welsh language we must have work opportunities and the plan must bear this in mind	<p>Note the comment Full consideration will need to be given to linguistic and employment issues during the process of preparing the Replacement Plan. It is premature at this stage to consider the exact details in relation to this comment.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur	39	39/6	A more detailed analysis of language statistics rather than complete dependency on the census. The relative sustainability of communities needs to be looked at to consider what the finer will be in terms of Welsh speakers in years. There is a need to create forecasts of numbers of speakers rather than relying on collected and outdated stings. The document does not propose that language strategies need to be strengthened and is much needed in the face of the fall in the percentage of Welsh speakers and the failure of our current strategic policies. A better strategy is needed for preventing contraction in Welsh-speaking areas.	<p>Note the comment As part of the process of preparing the Replacement Plan it will be necessary to assess any new statistics relating to the Welsh language to ensure that the Plan is based on the most relevant published information. It is noted that it is not the role of the Report nor the JLDP to strengthen language strategies. Due consideration will be given to any new strategies or plans relating to the Welsh Language during the process of producing the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
Gruffydd Williams	40	40/6a	Until the number of houses required is reviewed, counting those raised in already, and those that have been granted permission, then that there is a moratorium on allowing any further dwellings. (This would of course take away the number designated for Wylfa Newydd).	<p>Note the Comment Although it is not the purpose of the Review Report to detail and specific changes to the Plan, as part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised regarding the scale and location of housing in the plan area will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6b	Following the granting of numerous developments on the basis that language assessments claim that there would be no negative impact on the Welsh language, that these are analysed to find out what the actual impact was and consider whether this is the best methodology.	<p>Note the Comment The process of preparing the Revised Plan will provide an opportunity to assess the whole evidence base on linguistic issues including linguistic assessments and statements.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6c	Designate the whole of Gwynedd as an "area of linguistic sensitivity". Denote particular areas for special sensitivity where no raising or letting social housing but for Welsh speakers/local people. Also expand the Local Market Housing Scheme throughout the county so that housing is on new estates which are currently open market housing are becoming limited to people local/Welsh speakers and sold at a price within their reach. (This would avoid attracting influx of people and also allow an opportunity to make second short-term homes and holiday homes from new housing on estates. Would need appropriate mechanism to measure demand for Local Market Housing).	<p>Note the Comment The review of the JLDP will certainly consider any link between housing provision and impact on the Welsh Language. In reviewing the Plan we will consider the performance of existing housing policies and strategy since the Plan was adopted. In this respect the review will consider documents that have been prepared and relevant research that has been undertaken. There will also be full consultation with other Anglesey and Gwynedd Council departments, such as the Research Unit, along with relevant external stakeholders.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6ch	Buying/Occupying Empty Houses and buying houses on the open market: The County Council/Councils (or agencies on his/her behalf) to buy empty properties with a view to	Comment not Relevant

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			letting the houses to local people/Welsh speakers. A plan of the kind to be more progressive in order to make more appropriate use of the housing stock present.	<p>However, the issue of the purchasing houses by both Local Authorities is not relevant to the process of producing the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6d	'Buying a Home – Wales' Scheme. (Only 5 applicants benefited from the scheme in 2020.) The scheme should have wider use and provide a loan much higher in terms of the equity percentage of properties for local people/Welsh speakers.	<p>Comment the Relevant However, making amendments to the Buying a Home – Wales Scheme is outside the remit of the process of producing the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6dd	Mortgage Scheme. Gwynedd Council has the right and the means to provide mortgages as a scheme to protect and promote Welsh-speaking communities.	<p>Comment not Relevant However, the provision of mortgages to promote Welsh-speaking communities is outside the remit of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6e	Other comments: Adopt Snowdonia National Park Authority Policy for the protection and substantial demolition/rebuilding/refurbishment of traditional houses and buildings. Expand the floor size of affordable housing so that they are more suitable. Provide more plots for the Wales Self Build Scheme. Add the right to convert barns into dwelling houses subject to family requirements. The right is not part of the Local Development Plan, but areas in England have the right under Permitted Development Rights under the Location Act. Add the right to convert holiday units into dwelling houses (Condition 106 for local people/Welsh speakers.)	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issue raised regarding the scale and location of housing in the plan area will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6f	Restrict the right of County Council officers to be able to allow changes to planning applications at their own discretion.	<p>Comment not Relevant This is not relevant to the process of producing the Replacement Plan.</p>

Name and Organisation	Person ID	Rep Id	Summary of Comments	Service Response and Recommendation
				<p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6ff	Define over-provision in the various types of tourist development such as second homes, short-term holiday accommodations, tent/glamping camps, fields caravans/holiday cabins and other developments, setting thresholds for the different categories in communities.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6g	The installation of Welsh or bilingual information signs and instructions (with Welsh in front of or above English) outside and inside business premises is a condition of receiving planning permission.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/6h	With developments that intend to employ, local employment and consideration of the Welsh language should be a condition of planning permission, with the exception of posts that can be clearly demonstrated that the appropriate specialisms are not available locally. With developments offering employment, the applicant should provide robust evidence of the numbers proposed to be employed, so that Gwynedd Council cannot be misled with empty promises.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Wendy Jakeman	44	44/6	Produce overlapping document's, make it available in any language including signing, braille and illustration.	<p>Note the comment Both Councils' Welsh Language Policies make it necessary for any written material intended for public use, and written by the Councils themselves to be provided bilingually. This includes written printed material and materials published electronically.</p> <p>Recommendation</p>

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				No changes to the Review Report in light of this comment
Ieuan Wyn	46	46/6	Comments in relation to the position of Welsh as a community language are set out in the other parts of the form.	<p>Note the comment</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Question 7 – Any other matters?

Name and Organisation	Person Id	Rep. Id	Summary of Comments	Service Response and Recommendation
Malcolm A Brymer	1	1/7	<p>Priority to be given to a review of the number of dwellings needed for the next phase (2022 onwards) for all sectors housing including Social, public and private rented, supported living and the private sector.</p> <p>A Call for Sites to deal with this urgent need for Housing. And a further Call for Sites to deal with the urgent need to develop the economy in Gwynedd with new modern and suitable business, tourism and infrastructure sites. Such sites to be</p>	<p>Note the Comment</p> <p>Although it is not the purpose of the Review Report to detail any specific changes to the Plan, as part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised regarding the scale of housing in the plan area will be considered when revising the evidence base. With regards to the need for a call for new sites, it is noted that in</p>

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			<p>brought forward within the next 1-3 years (therefore being well located to satisfy business demand, ready for development to prevent delays such as experienced with Housing and on good travel routes and locations to ease additional travel and to help create the 2040 and 2050 Vision set out in this Draft Review Report.</p> <p>A follow up of all Candidate sites assessed previously and a new assessment of these based on the latest estimates and on deliverability so as to reverse the current shortfall in new dwelling stock that has been experienced from 2017-2021.</p>	<p>accordance with the Local Development Plan Regulations, the Councils will undertake a Call for Candidate Sites exercise where submissions will be invited from interested parties who wish to have land considered for inclusion within the Replacement Plan, either for development, re-development or protection from development.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
John Griffiths	5	5/7	<p>I have two points which may seem relatively trivial after consideration of the need to plan for the future of the planet. However, I have observed that there is a distrust in the planning processes. This distrust can often be based on decisions that are Delegated and/or when the views of Community Councillors are disregarded. In my area alone (Seiriol ward) there are many things that happen with a total disregard to the views of the population who generally would like to see less development and more conservation. The second point is that the Lairds site in Beaumaris needs to become a priority for proper scrutiny. It has the potential for housing and employment and yet fails to attract the attention of our County Councillors.</p>	<p>Note the Comment Public consultation and involvement is a legislative requirement in the process of developing Local Development Plans. It is a requirement for the public, relevant stakeholders and statutory consultees to be consulted at different stages of the plan-making process. The Welsh Government's planning policy, contained in Planning Policy Wales encourages local planning authorities and applicants to discuss proposals before a planning application is formally submitted. With any application consideration is given to all relevant material planning considerations before a decision is made. However, the issue of public consultation relating to individual planning applications is not relevant to the process of producing the Replacement Plan. With regards to the Lairds site in Beaumaris, it is not the purpose of the Review Report to detail any specific changes that will be made to the Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Cnllr Robert Llywelyn Jones	8	8/7	<p>This review has come at a crossroads for our world - WE EITHER CHANGE THE WAY WE LOOK AT PLANNING MATTERS OR CONTINUE TO GO AFTER PLEASING UNSCRUPULOUS DEVELOPERS.</p> <p>I have tried all my council life (over 40 years) to make our Ynys Mon Council see sense only to be laughed at. I will not hold my breath on any change in Council thinking as it needs brave men and women to admit they got it wrong and to</p>	<p>Note the Comment</p>

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			<p>change their approach to planning matters. Even now I went to my local library to see if they had a copy of the review to the JDP review only to be told no copy available.</p> <p>Officers hold all the cards and I find it difficult to see any radical change happening in their attitude towards saving our planet. I am available at any time to enlarge on my experiences.</p>	
John Glyn Robinson	9	9/7	<p>I would like to draw your attention to land that we have at Tyn y Weirglodd, Penygroes approximately 1.9 hectares within the boundaries of the village of Penygroes. The land is suitable for around 60 houses and will go on the market in the coming weeks. In addition, I put 3.25 hectares of land that we have opposite and Macpella Cemetery, Penygroes before you in 2015/2016 (SP155) which the department called it at that time. This land is suitable for approximately 120 houses. This is available for housing if desired.</p>	<p>Note the Comment It is not the intention of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Tom Brooks	10	10/7	<p>I was surprised not find a section outlining the involvement of the public through consultation on various topics and at different stages during the review, given the greatest impact of the new plan will be on the public.</p>	<p>Note the Comment Public consultation and involvement is a legislative requirement in the process of developing Local Development Plans. It is a requirement for the public, relevant stakeholders and statutory consultees to be consulted at different stages of the plan-making process including the emerging Replacement Plan. The Delivery Agreement, produced at the start of the Plan process includes the timetable and the Statement of Community Involvement. The Statement ensures that members of the public as well as key stakeholders are part of the process of preparing the Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Guto Gwyn	11	11/7	<p>In the refreshed plan, it would be useful to include the Six Policy Goals mentioned within the Welsh Government's 'Health and Social Care in Wales – COVID-19: Looking Forward (2021)' document. This strategy outlines various priorities including a need to build new ways of working, and develop</p>	<p>Note the Comment There is the requirement for Local Development Plans to have regard to new relevant legislation. Due regard will be given to the relevant Welsh Government publications on addressing the Covid 19 recovery when preparing the replacement plan.</p>

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			opportunities to do things differently following the pandemic. In addition, 'long-Covid' effects and impacts will need to be assessed and anticipated, which would in turn assist with our ability to build resilience within our public services, in tandem with a robust recurring vaccination programme to protect the most vulnerable in our society.	<p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>
Cnllr Mike Stevens	12	12/7	The review cannot be just another rehash of the 2010 development plan that was adopted in 2017. There seems to be a great reluctance by Planning officers to end the joint working with Anglesey. There can be no justification in continuing with what may have worked in 2010 but is clearly not fit for building a thriving dynamic Gwynedd for the future in line with the Well Being of Future Generation (Wales) Act 2015. Development in Tywyn has been stifled by land areas being designated as flood plains. Areas that have never flooded in living or historic memory are discounted for development. The justification for this by planning policy makers is "modelling". This method of deciding planning policy is flawed as it is all too easy to input data to give the required answer. No consideration is given to reality of the location and history of natural factors. A clear example of this is a land area from Tywyn high street leading north to the Dysynni river over a mile away. The whole area has been designated a flood plain threat from the Dysynni river. That is preposterous as the river is tidal and this is the mouth of the river flowing into the sea. It is almost impossible for this land to flood from the river one mile up to Tywyn high street and to claim it is a possibility undermines the whole science of flood modelling.	<p>Comment not Accepted</p> <p>The future of the Joint Planning Service is not part of the Local Development Plan process.</p> <p>The areas of flooding referred to in this comment are those identified by Natural Resource Wales as part of the Flood Map for Planning and therefore is not the responsibility of the Joint Local Development Plan.</p> <p>Recommendation</p> <p>No changes to the Review Report in light of this comment</p>
Gruffydd Meredith	22	22/7a	1. Gwynedd/Anglesey and Wales as a whole should follow the example of the island of Guernsey (and a large number of other countries) by dividing all Gwynedd/Anglesey housing into two cohorts - 90% into a local/national priority market cohort for the people of Gwynedd/Anglesey, and the other 10% into an open market cohort for anyone else. This would mean that 90% of houses, whether new build or	<p>Note the Comment</p> <p>Although it is not the purpose of the Review Report to detail and specific changes to the Plan, as part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised regarding the scale of housing in the plan area will be considered when revising the evidence base. Further</p>

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			<p>second/summer houses available for purchase, would prioritise the local/national market for welsh citizens/permanent residents, and the remaining 10% of houses, whether new or second/summer homes, would be open market housing and available to anyone on a first come, first served basis. It is proposed that any person who is in employment or has been offered permanent full-time work, together with their partners/families, would be able to join, as they choose, with either the list of purchase or rental of local priority housing – whatever their status otherwise. Anyone caring for or being cared for by partners or family members who need permanent care would also be eligible for local purchase or rental priority. By working alongside councils and community groups on the ground the county authorities across Gwynedd/Anglesey would need to decide how much of the 90% of local/national market housing would be available to local residents within the county/counties and how much would be available to residents from the rest of Wales – for example 70% for local residents, 20% for people from the rest of Wales. In more urban areas where people move in and out more regularly, this scale could be set at 45% / 45% or 20% locally and 70% nationally for example. Any new houses built and are part of the 90% figure of the local/national market would then retain this local/national ownership priority clause.</p>	<p>work in the preparation of the Replacement Plan will review updated plans and strategies relating to housing.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Meredith	22	22/7b	<p>2. It is hoped that the same targets and the principle of local/national priority would be set in terms of housing renting in general, with needs locally highlighted in a reasonable, moderate and fair way. As mentioned, it is proposed that any person who has been offered permanent full-time work, together with their partners/families, would be able to join, as selected, with either the local priority housing purchase or rental list - regardless of their status otherwise, with anyone else with a more short-term or part-time job offer able to join the rental priority list (and being able to buy after ten years if not born and with one of them</p>	<p>Note the Comment Whilst the Development Plan is not responsible for social or private sector renting policy when re-visiting and the objectives and vision, strategy and policies of the Plan we will hold discussions with Stakeholders in the housing field.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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			born in Wales). As mentioned, any carers of partners or family members who need permanent care or are cared for themselves would also be eligible for local purchase or rental.	
Gruffydd Meredith	22	22/7c	3. Social housing for the needy should follow the same targets and local/national priority principle where possible, with local priority needs highlighted and prioritised in a way that is reasonable and fair. All social housing and social housing associations as well as the National Parks should be brought under the control of the county authorities (in this case Gwynedd/Anglesey) and made accountable to those democratic authorities. There is also a need to put a stop to the situation where people in holiday caravans etc are able to claim social housing for the needy by becoming local or homeless/needy after living in a caravan for a certain period of time without conclusive evidence of their local connection.	<p>Comment not Relevant These issues are outside the remit of the New LDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Meredith	22	22/7ch	4. The new house prices for local people in particular, should match the average local salaries of the county authority/s. 'Affordable housing' should mean that literally.	<p>Note the Comment In re-visiting and the objectives and vision, strategy and policies of the Plan we will hold discussions with Stakeholders in the housing field to discuss any changes needed to the affordable housing policies.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Meredith	22	22/7d	5. Similar to the New Zealand model, only the citizens of Wales (and therefore Gwynedd/Anglesey) should be able to buy the vast majority of welsh farmland and wild land (and therefore Gwynedd/Anglesey), with non-citizens of Wales (and therefore Gwynedd/Anglesey) still able to buy brown/ industrial land sites for development etc and also rent or lease land if they wished.	<p>Comment not Relevant However, these issues are outside the remit of the New LDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Meredith	22	22/7dd	6. It will be necessary to stop the number of online websites selling Welsh houses and land (and therefore including Gwynedd/Anglesey) over the world without any control, and to create regulations through the act that only official Welsh auctioneers and housing brokers are allowed to advertise and	<p>Comment not Relevant However, these issues are outside the remit of the New LDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

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			sell Welsh houses and land (including second and summer homes), as part of this national priority act.	
Gruffydd Meredith	22	22/7e	7. Allow farmers to build at least three homes on their land for three generations of the farming family within Gwynedd/Anglesey/Wales, helping to strengthen the rural economy and make it truly sustainable.	<p>Note the Comment The Welsh Government's National Policy and Guidance in Planning Policy Wales and TAN 6 highlights the circumstances in which additional residential units could be supported on a rural enterprise.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Meredith	22	22/7f	8. Encourage the building societies and mortgage offers in Gwynedd/Anglesey/Wales to implement a 5% deposit scheme for Gwynedd/Anglesey/Wales first time buyers, and for the Welsh Government to also offer an annual low interest deposit loan fund to the same first time buyers in the same way.	<p>Note the Comment Although the Review Report is not intended to detail any changes that will be made to the Plan, as part of the preparation of the Revised Plan it will be necessary to re-visit and the objectives and vision, strategy and policies of the Plan. Consideration will be given to Local, Regional and National housing strategies for helping first time buyers.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Meredith	22	22/7ff	9. Give priority to the large number of empty or derelict buildings in Gwynedd/Anglesey/Wales to be renovated for local people's use in particular.	<p>Note the Comment Although the Review Report is not intended to detail any changes that will be made to the Plan, as part of the preparation of the Revised Plan it will be necessary to re-visit and the objectives and vision, strategy and policies of the Plan. Consideration will be given to any relevant strategies the Councils may have. The issues raised in respect of empty or derelict buildings in the Plan area will be taken into account in revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Jeremy Lambe, Lambe	25	25/7	To encourage pre-application planning enquiries for proposals and to be able to have an open dialogue with planning officers regarding proposed developments.	<p>Note the Comment The issue of public consultation relating to individual planning applications is not relevant to the process of producing the Replacement Plan.</p>

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Planning and Design				<p>Recommendation No changes to the Review Report in light of this comment</p>
The Coal Authority	27	27/7	We note that this current consultation relates to a Review Report which will look at areas where the Local Plan is performing well and those areas where changes may be needed. I can confirm that the Planning team at the Coal Authority have no specific comments to make on the draft Review Report.	<p>Note the Comment</p>
Dylan Clarke	29	29/7	Planning decisions about gas power stations or other high emission projects should not be delegated to individual planning officers. The future of our energy systems should not be treated the same as small alterations to an extension! This review of the local plan is your chance to actually get serious about carbon reduction. We are in a climate emergency, the new plan needs to be an emergency plan not just more business as usual.	<p>Note the Comment However, the process of dealing with individual planning applications is not relevant to the process of producing the Replacement Plan. Climate change and sustainable development considerations are central to the review process. Consideration will be given to all Welsh Government strategies, plans, policies and guidance relating to climate change that are current when preparing the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Eva Stevens	31	31/7	Listen to Tywyn and Gwynedd Councillors not only to planners who need to widen their focus to include South Gwynedd, Tywyn and all of Gwynedd.	<p>Note the Comment The Joint Planning Policy Service will work with a number of partners (both statutory and non-statutory) in producing the Plan. A list of the Partners will be published in the Delivery Agreement. All major steps in the plan process will be subject to public consultation which gives everyone an opportunity to be part of the process.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Marie-Claire Marsden, Morlyn Guesthouse	38	38/7	Anything and everything to support the major job creator, that is hospitality here in southern Meirionnydd should be adopted.	<p>Note the Comment As part of the preparation of the Replacement Plan, the evidence base in this area will need to be revised and the latest evidence will be considered along with any Council strategies relating to the economy. This evidence will be used</p>

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				<p>in considering the need for changes to the Plan's economic policies.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Rhys Tudur, Nefyn Town Council	39	39/7	<p>It would be beneficial for the Council to be more long-term in making assumptions of the numbers of Welsh speakers in the future and also to gather evidence of the people who speak Welsh in their household. There must be stronger strategic policies that prevent applications that are idly related to our language and culture therefore forcing all applications to reinforce the Welsh language rather than damaging it. To date applications that do not create "significant harm" are allowed and the cumulative impact of this with a number of applications erodes the Welsh language and causes significant harm to it. Due to the fragile situation of housing affordability for local people a Gwynedd-wide policy is needed to ensure that new housing developments are all with a "principal private residence" condition this is essential to ensure that the new stock of housing is not used as summer housing. The creation of such a policy would not allow further harm to our communities.</p>	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to assess any new statistics relating to the Welsh language to ensure that the Plan is based on the most relevant published information. Due consideration will be given to any new strategies or plans relating to the Welsh Language during the process of producing the Replacement JLDP. Similarly, all housing policies will be reviewed, with due consideration given to the most recent housing statistics and publications.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7a	<p>Until the number of houses required is reviewed, counting those raised in already, and those that have been granted permission, then that there is a moratorium on allowing any further dwellings. (This would of course take away the number designated for Wylfa Newydd).</p>	<p>Note the Comment Although it is not the purpose of the Review Report to detail and specific changes to the Plan, as part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised regarding the scale and location of housing in the plan area will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7b	<p>Following the granting of numerous developments on the basis that language assessments claim that there would be no negative impact on the Welsh language, that these are</p>	<p>Note the Comment</p>

Name and Organisation	Person Id	Rep. Id	Summary of Comments	Service Response and Recommendation
			analysed to find out what the actual impact was and consider whether this is the best methodology.	<p>The process of preparing the Revised Plan will provide an opportunity to assess the whole evidence base on linguistic issues including linguistic assessments and statements.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7c	Designate the whole of Gwynedd as an "area of linguistic sensitivity". Denote particular areas for special sensitivity where no raising or letting social housing but for Welsh speakers/local people. Also expand the Local Market Housing Scheme throughout the county so that housing is on new estates which are currently open market housing are becoming limited to people local/Welsh speakers and sold at a price within their reach. (This would avoid attracting influx of people and also allow an opportunity to make second short-term homes and holiday homes from new housing on estates. Would need appropriate mechanism to measure demand for Local Market Housing).	<p>Note the Comment The review of the JLDP will certainly consider any link between housing provision and impact on the Welsh Language. In reviewing the Plan we will consider the performance of existing housing policies and strategy since the Plan was adopted. In this respect the review will consider documents that have been prepared and relevant research that has been undertaken. There will also be full consultation with other Anglesey and Gwynedd Council departments, such as the Research Unit, along with relevant external stakeholders.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7ch	Buying/Occupying Empty Houses and buying houses on the open market: The County Council/Councils (or agencies on his/her behalf) to buy empty properties with a view to letting the houses to local people/Welsh speakers. A plan of the kind to be more progressive in order to make more appropriate use of the housing stock present.	<p>Comment not Relevant However, the issue of the purchasing houses by both Local Authorities is not relevant to the process of producing the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7d	'Buying a Home – Wales' Scheme. (Only 5 applicants benefited from the scheme in 2020.) The scheme should have wider use and provide a loan much higher in terms of the equity percentage of properties for local people/Welsh speakers.	<p>Comment the Relevant However, making amendments to the Buying a Home – Wales Scheme is outside the remit of the process of producing the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep. Id	Summary of Comments	Service Response and Recommendation
Gruffydd Williams	40	40/7dd	Mortgage Scheme. Gwynedd Council has the right and the means to provide mortgages as a scheme to protect and promote Welsh-speaking communities.	<p>Comment not Relevant However, the provision of mortgages to promote Welsh-speaking communities is outside the remit of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7e	Other comments: Adopt Snowdonia National Park Authority Policy for the protection and substantial demolition/rebuilding/refurbishment of traditional houses and buildings. Expand the floor size of affordable housing so that they are more suitable. Provide more plots for the Wales Self Build Scheme. Add the right to convert barns into dwelling houses subject to family requirements. The right is not part of the Local Development Plan, but areas in England have the right under Permitted Development Rights under the Location Act. Add the right to convert holiday units into dwelling houses (Condition 106 for local people/Welsh speakers.)	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issue raised regarding the scale and location of housing in the plan area will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7f	Restrict the right of County Council officers to be able to allow changes to planning applications at their own discretion.	<p>Comment not Relevant This is not relevant to the process of producing the Replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7ff	Define over-provision in the various types of tourist development such as second homes, short-term holiday accommodations, tent/glamping camps, fields caravans/holiday cabins and other developments, setting thresholds for the different categories in communities.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7g	The installation of Welsh or bilingual information signs and instructions (with Welsh in front of or above English) outside	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision,</p>

Name and Organisation	Person Id	Rep. Id	Summary of Comments	Service Response and Recommendation
			and inside business premises is a condition of receiving planning permission.	<p>strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Gruffydd Williams	40	40/7h	With developments that intend to employ, local employment and consideration of the Welsh language should be a condition of planning permission, with the exception of posts that can be clearly demonstrated that the appropriate specialisms are not available locally. With developments offering employment, the applicant should provide robust evidence of the numbers proposed to be employed, so that Gwynedd Council cannot be misled with empty promises.	<p>Note the Comment As part of the process of preparing the Replacement Plan it will be necessary to re-visit the Plan's objectives and vision, strategy and policies and the issues raised in the comment will be considered when revising the evidence base.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Iwan Edgar	41	41/7	More applied consideration of the Well-being Act and how those requirements are discussed	<p>Note the Comment The Well-being Act will be a central theme in the review process. There is the requirement for Local Development Plans to have regard to the Act in the review process. The Replacement JLDP will be required to reflect the aspirations of the Act. A key aspect of the Well-being Act is public health and as such, the latest version of Planning Policy Wales gives reference to 'Building Better Places', which pinpoints the most relevant policy priorities and actions to aid in the recovery from the Covid 19 pandemic.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Wendy Jakeman	44	44/7	Keep Gwynedd Green. Treasure it's Natural Beauty and put that at the Heart of ALL YOUR POLICY DECISIONS. P.S. Clean up building regulations. I have evidence of shoddy, lazy practises being carried out in the name of the biggest social housing provider in the area.	<p>Note the Comment Full consideration will be given to environmental issues during the preparation of the Revised Plan. In terms of building regulations issues, it is noted that this is not a matter for the Replacement Plan to address.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Name and Organisation	Person Id	Rep. Id	Summary of Comments	Service Response and Recommendation
Dafydd Ioan Hughes	45	45/7	I certainly agree that there should be a full re-analysis of a Development Plan and a new plan that looks at developing the Island and the Economy for the benefit of local people by promoting new businesses and providing quality housing. Amlwch is a perfect example where there is potential to develop and transform and modernise the town, by providing a new business park, supermarket and housing thereby supporting and growing the local economy and creating permanent standard jobs. As part of a Full Review and a new scheme specific to Amlwch, we have development land that has great potential in the middle of Amlwch town.	<p>Note the Comment As part of the preparation of the Replacement Plan, the evidence base in this area will need to be revised and the latest evidence will be considered along with any Council strategies relating to the economy. This evidence will be used in considering the need for changes to the Plan's economic policies. It is not the intention of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issue raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Park Leisure Ltd, c/o Lichfields	23	23/7	Whilst the development of a Strategic Development Plan (SDP) in North Wales will likely strengthen interconnectivity across the region, the development of the SDP will take several years. Hence, it is important that needed investment and growth in this area is not delayed until this new regional tier of the plan-led system is adopted and that the Replacement Anglesey and Gwynedd Joint LDP is not delayed on account of the emerging SDP.	<p>Note the Comment A review of the JLDP is a legislative requirement under the Planning and Compulsory Purchase Act 2004. The Act states that a Local Development Plan needs to be reviewed after a period of 4 years following its adoption. In accordance with national guidance, we must review the Plan every four years and prepare a Replacement Plan. The requirement of introducing the SDP under the Planning (Wales) Act 2015 is separate to the process of developing the replacement Plan.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>
Bourne Leisure, c/o Lichfields	47	47/7	Whilst the development of a Strategic Development Plan (SDP) in North Wales will likely strengthen interconnectivity across the region, the development of the SDP will take several years. Hence, it is important that needed investment and growth in this area is not delayed until this new regional tier of the plan-led system is adopted and that the Replacement Anglesey and Gwynedd Joint LDP is not delayed on account of the emerging SDP.	<p>Note the Comment A review of the JLDP is a legislative requirement under the Planning and Compulsory Purchase Act 2004. The Act states that a Local Development Plan needs to be reviewed after a period of 4 years following its adoption. In accordance with national guidance, we must review the Plan every four years and prepare a Replacement Plan. The requirement of introducing the SDP under the Planning (Wales) Act 2015 is separate to the process of developing the replacement Plan.</p>

Name and Organisation	Person Id	Rep. Id	Summary of Comments	Service Response and Recommendation
				<p>Recommendation No changes to the Review Report in light of this comment</p>
John Wyn Williams, Plaid Cymru	48	48/7	<p>There is currently an over-provision of student accommodation in Bangor and although the quota system has worked in some areas, there needs to be a better way of analysing what the real need is across the city for the future. There are quite a few affordable housing developments in the city, which is a good thing. Here again we need to look again at the needs assessment policies to avoid over-provision of some types of housing or more specifically single flats. There have been some problems with getting local residents and members to accept affordable developments, better evidence of the local need would help mitigate this. Bangor's high street is changing. The Bangor partnership and the City council have a vision for the future. This needs to be considered and much more flexible policies created. What will the high street look like in ten years?</p>	<p>Note the Comment As part of the preparation of the Replacement Plan, the evidence base in the topic areas referred to will need to be revised and the latest evidence. This evidence will be used in considering the need for changes to the Plan's policies. It is not the intention of the Review Report to detail any specific changes that will be made to the Plan. Consideration will be given to the issues raised as part of the preparation of the Replacement JLDP.</p> <p>Recommendation No changes to the Review Report in light of this comment</p>

Key Stage		Timescales
Definitive		
Stage 1	Delivery Agreement Preparation and submission	Up to 4 weeks for WG approval (Usually shorter)
Stage 2	Pre-Deposit Preparation and involvement	Approximately 1.5 years
Stage 3	Preferred Strategy Public consultation	
Stage 4	Deposit plan Public consultation	Approximately 1 year
Indicative		Timescales
Stage 5	Submission	Approximately 11 months in accordance with PINS Procedural Guidance
Stage 6	Examination	
Stage 7	Inspector's Report	
Stage 8	Adoption	
		Total plan preparation time 3 ½ years (Plus one 3 month slippage period)

Isle of Anglesey County Council	
Report to:	The Full Council
Date:	10th March 2022
Subject:	North Wales Population Needs Assessment Draft Report 2022
Portfolio Holder(s):	Councillor Llinos Medi
Head of Service / Director:	Fôn Roberts, Director of Social Services & Head of Children and Families Services Arwel Owen, Head of Adult Services
Report Author: Tel: E-mail:	Emma Edwards 01248 751887 Emmaedwards@ynysmob.gov.uk Lead / SRO: Morwena Edwards (Chair of the Regional Commissioning Board)
Local Members:	

A –Recommendation/s and reason/s

To provide an overview of the North Wales Population Needs Assessment 2022 which has been produced as a requirement of the Social Services and Well-being (Wales) Act 2014.

Purpose of report:

1. To seek Full Council support for the approval of the North Wales Population Needs Assessment.
2. The assessment must be produced and published in the form of a report by April 2022.

Recommendation

That Full Council approve the North Wales Population Needs Assessment 2022.

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

C – Why is this a decision for the Executive?

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

Yes – and in line with Section 14 of the Social Services and Wellbeing Act (2014) , which requires local authorities and health boards to produce an assessment report.

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

The North Wales Social Care and Wellbeing Services Improvement Collaborative has funded the regional project which has included 2 x regional project managers to support the development of the population needs assessment. Associated costs, such as translation and for specialist engagement was also funded by the partnership.

There has been a cost to the local authorities, BCUHB and Public Health Wales in staff time and resource to support the project. This includes staff to carry out engagement work with the public, service users, staff and elected members and staff to support the analysis and writing of the report. The majority of this work took place between April 2021 and December 2021 for the population needs assessment.

Going forward the population needs assessment will identify regional and local priorities, it may be the case that these priorities require some level of investment at either regional or local level.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	Yes, the report asses: a) The extent to which there are people in a local authority's area who need care and support b) The extent to which there are carers in the local authority's area who need support c) The extent to which there are people in a local authority's area whose needs for care and support are not being met d) The range and level of services required to meet the care and support needs of people in the local authority's area e) The range and level of services required to achieve the purposes in Section 15(2) (preventative services) in the local authority area
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Dd – Assessing the potential impact (if relevant):		
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	This will be followed up by the Market Stability Report, produced later in the year.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Yes – regionally across North Wales with other LAs and Health colleagues.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	<p>Yes. Engagement for the population assessment included: a questionnaire for organisations that asks for their views and evidence; a facilitator's guide for partners to use to run discussion groups with service users; workshops with staff and councillors organised by each local authority. A total of 350 questionnaire responses were received during the consultation, the feedback received is included within the needs assessment. A full consultation report is also available and is appended to the main report.</p> <p>A stakeholder map has been produced and reviewed listing all the population groups who may need care and support services to ensure that as many people as possible have the opportunity to have their say. This includes engagement with hard to reach groups.</p>
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	<p>That it will not be possible gain approval from all six councils and the Board of BCUHB in time to publish by April 2022. To mitigate the project team, aim consult as widely as possible before the approval process.</p> <p>Welsh Government have removed the requirement for an EQIA on the needs assessment as a report in itself. The needs assessment is inclusive of equalities, human rights and socio-economic analysis and research pertaining to each of the groups included within the needs assessment.</p>
6	If this is a strategic decision, note any potential impact that the decision would have on those	

Dd – Assessing the potential impact (if relevant):





	experiencing socio-economic disadvantage.	
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	The actions required to provide the range and level of services through the medium of Welsh.

E – Who did you consult?

What did they say?

1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Agreed
2	Finance / Section 151 (mandatory)	As above
3	Legal / Monitoring Officer (mandatory)	As above
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	
9	Local Members	

F - Appendices:

 3c. PNA Consultation Report	 3a. Population Needs Assessment F	 North Wales Population Assessm
 PNA Ynys Mon Final.docx		

Ff - Background papers (please contact the author of the Report for any further information):

Section 14 of the Social Services and Wellbeing Act (2014) requires local authorities and health boards to jointly assess:

- a) The extent to which there are people in a local authority's area who need care and support
- b) The extent to which there are carers in the local authority's area who need support
- c) The extent to which there are people in a local authority's area whose needs for care and support are not being met
- d) The range and level of services required to meet the care and support needs of people in the local authority's area
- e) The range and level of services required to achieve the purposes in Section 15(2) (preventative services) in the local authority area
- f) The actions required to provide the range and level of services identified in accordance with paragraphs (d) and (e) through the medium of Welsh

The report must cover as a minimum the following themes / groups:

- Children and young people
- Older People
- Health, Physical Disability and Sensory Impairment
- Learning Disabilities (Children and Adults)
- Autism
- Mental Health
- Carers

Within the assessment regard has also been given for secure estate, homelessness and veterans. The assessment has been guided by the requirements set out in the code of practice for population needs assessment and has given due regard to other duties and policies that have a significant impact on the groups listed. Each chapter contains an assessment of;

- The Welsh language (the 'active offer')
- Equalities and Human Rights
- Socio-economic considerations
- Impact of COVID-19 pandemic
- Safeguarding considerations
- Violence Against Women, Domestic Abuse and Sexual Violence
- Social Value

The population assessment report was engagement led. The key issues and themes identified are based on feedback from staff, partner organisations, service users and the general public to identify strategic needs for care and support. This included information from existing commissioning strategies and needs assessments. The project team collected evidence to challenge these hypotheses through data analysis, background literature reviews, service reviews and additional focussed local engagement work.

The requirement to produce an accessible, regional report in a short timescale has limited what can be included. The report provides an evidence base to support organisations and services across the region, specifically it is to be used for strategic planning cycles underpinning the integration of services and support partnership arrangements.

The report takes a regional focus but will be a useful tool for planners and commissioners in local authorities and health. There is still a need for a local vision and plan for services in each area. Going forward the partnership would seek to continue the work of the needs assessment to ensure that assessing the needs of our populations is an ongoing process.

A single regional report must be produced for the North Wales Region and be approved by Full Council for each of the local authority areas (Gwynedd, Ynys Mon, Conwy, Denbighshire, Flintshire and Wrexham) and the Board of the Local Health Board.

The report must be published no later than April 2022. The report will be published on all local authority websites, the health board website and the regional partnership website in both English and Welsh. Summary reports, children and young people and other accessible formats will also be made available. A copy of the report will be submitted to Welsh Ministers.

Social Services and Well-being (Wales) Act 2014: Code of Practice:

<http://www.ccwales.org.uk/codes-of-practice-and-statutory-guidance/>

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	10 March 2022
Subject:	Local Code of Governance 2022-27
Head of Service:	Carys Edwards Head of Profession HR and Transformation 01248 752502 CarysEdwards@ynysmon.gov.uk
Report Author:	Gethin Morgan Programme, Business Planning & Performance Manager 01248 752511 GethinMorgan@ynysmon.gov.uk
Nature and Reason for Reporting: The Local Code of Governance sets out the Council's approach to delivering good governance.	

Introduction

1. To demonstrate good governance, the Council 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.
2. 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.
3. 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.
4. The Local Code of Governance is used as the basis for the annual review of governance for the County Council. The resulting documentation following such a review is noted as the Annual Governance Statement (AGS) which is considered by the Governance and Audit Committee. The Governance and Audit Committee has the responsibility of approving the Council's governance arrangements on an annual basis as a part of the Statement of Accounts.

Recommendation

5. That the Isle of Anglesey County Council adopts the Local Code of Governance.



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

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Local Code of Governance

2022 - 2027

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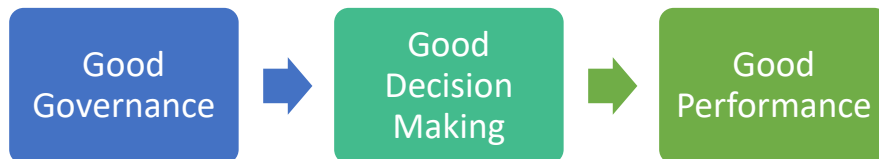
What is Corporate Governance?

Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.

The Chartered Institute of Public Finance and Accountancy's (CIPFA's) International Framework for Good Governance in Local Government states that:

“To deliver good governance in the public sector, both governing bodies and individuals working for the public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times.”

The Council sees Corporate Governance as doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and also the culture and values, by which the Council is directed and controlled and how it accounts to and engages with its citizens. The basic premise is:



What is the Code of Corporate Governance?

To demonstrate good governance, the Council 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). The established principles are:

- Principle A**

 - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B**

 - Ensuring openness and comprehensive stakeholder engagement
- Principle C**

 - Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D**

 - Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E**

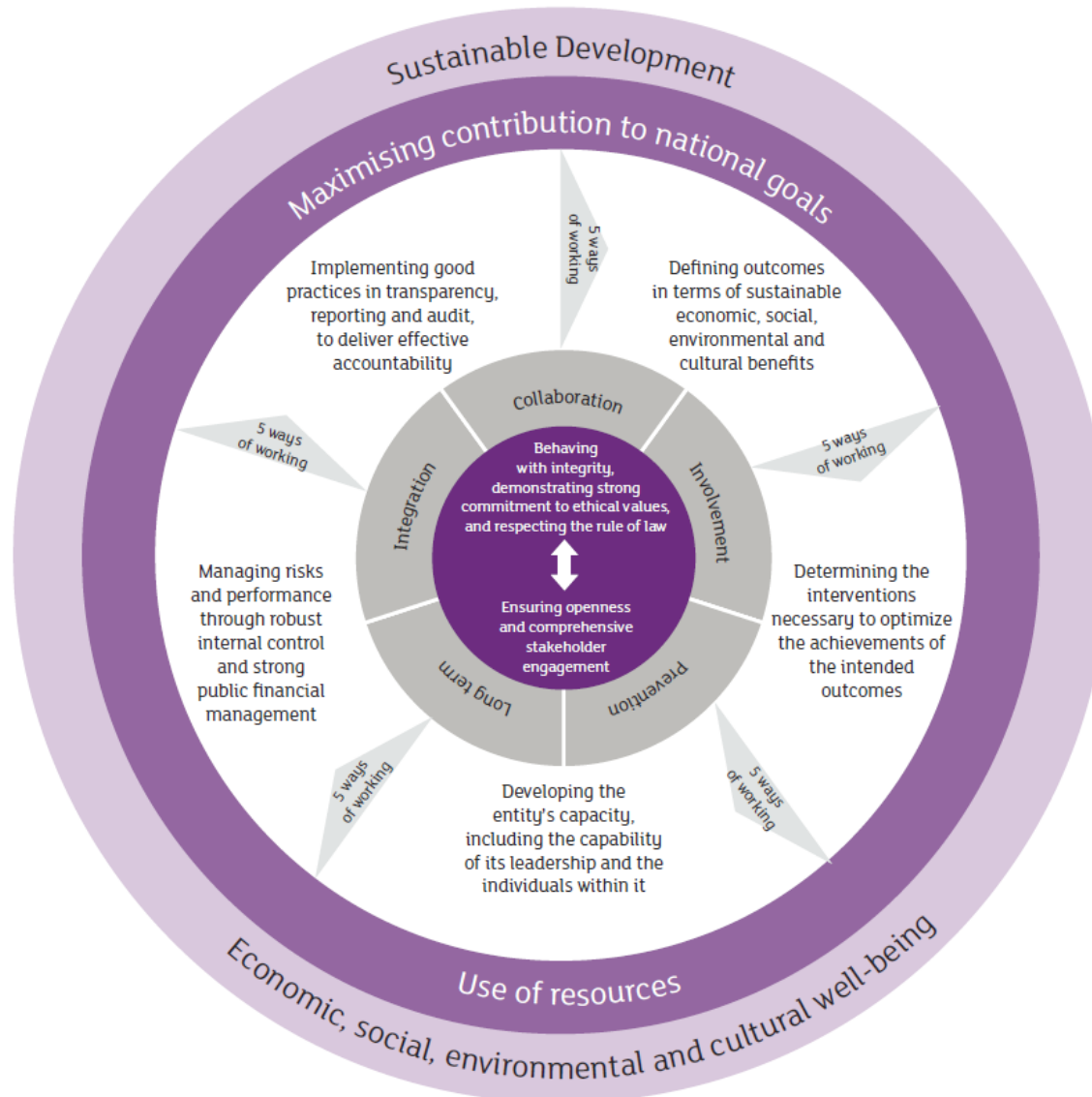
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F**

 - Managing risks and performance through robust internal control and strong public financial management
- Principle G**

 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

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. These can be aligned to the seven core principles in the CIPFA/SOLACE framework.

The Council aims to achieve good standards of governance by adhering to the seven core principles and also adhering to the Wellbeing of Future Generations (Wales) Act 2015 principles which together form the basis of our Code of Corporate Governance.



Source: Delivering Good Governance in Local Government: Guidance Notes for Welsh Authorities (2016 Edition)

How do we demonstrate compliance?

The Council reviews and reports against its governance arrangements on a regular basis. The Monitoring Officer ensures compliance with the policies, procedures, laws and regulations whilst the Section 151 officer advises on all financial matters, ensures proper financial records are kept and that a sound system of internal control is in place.

The Council conducts, 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 Council 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 will be evaluated by a combination of:-

- the results of the regular in-year review and monitoring by officers and committees which include:
 - formal risk management activity, including specific consideration of those risks linked to governance processes;
 - internal audit, whose work includes auditing the highest risks identified in the Corporate Risk Register, including risk management, in accordance with the annual internal audit strategy, and which includes 'follow-up' work to ensure that senior officers address agreed 'Issues / Risks';
 - the annual assessment of Internal Audit by the Council's external auditors;
 - the work of the Council's Scrutiny and other Committees, including its Governance and Audit 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 Council Plan and its supporting plans and strategies by members and senior managers;
- 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;
- a series of interviews with key officers;
- discussions with, and receiving comments from, groups of officers and members including the SLT and the Executive.

Key policies, and any amendments to them, are approved by the Executive and where appropriate, formally adopted by the County Council.

The overall assessment will follow the following self-assessment grading –

Excellent	Many strengths, including significant examples of sector-leading practice
Good	Many strengths and no important areas requiring significant improvement
Satisfactory	Strengths outweigh areas for improvement
Unsatisfactory	Important areas for improvement outweigh strengths

The results of this assessment and review, which is carried out in line with the core principles of the Code, inform the production of the Council's Annual Governance Statement, which is presented as part of the Statement of Accounts.

The Council also use the 'Three Lines Model' as demonstrated in the graphic below, where each line can be used to provide assurance. A range of assurance activities from across all lines of defence is then used to provide a robust assurance picture.



Commitments to the Governance Principles

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Rationale: Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Related Key Theme: 1) Professional and Well Run

The Council is committed to:	Sources of assurance
<p>Behaving with integrity</p> <p>A1. Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council</p> <p>A2. Ensuring members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the ‘Nolan Principles’)</p> <p>A3. Leading by example and using the above Target Operating Model or values as a framework for decision making and other actions</p> <p>A4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<ul style="list-style-type: none"> • 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 – these include <ul style="list-style-type: none"> ○ Members code of conduct ○ Officers code of conduct ○ Protocols for Member/Officer relations ○ Anti-Bullying and Harassment Policy ○ Protocols on gifts and hospitality ○ Political management protocols • Members receive training on the codes of conduct as soon as possible after election • The Monitoring Officer acts as the lead officer for the Standards Committee with seven of the nine members external appointments, and the remainder elected members. • Council Values Six Key Themes • Members and Officers Code of Conduct

Demonstrating strong commitment to ethical values

A5. Seeking to establish, monitor and maintain the Council's ethical standards and performance

A6. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council's culture and operation

A7. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values

A8. Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with high ethical standards expected by the Council.

Respecting the rule of law

A9. Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations

A10. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements

A11. Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders

A12. Dealing with breaches of legal and regulatory provisions effectively

A13. Ensuring corruption and misuse of power are dealt with effectively

- [Standards Committee](#)
- Financial Procedure Rules
- Contract Procedure Rules
- Prevention of Fraud and Corruption Policy in the Constitution with subsidiary plans in place
- Protocol on [gifts and hospitality](#) and a [register of interests](#)
- Declaration of interests before every meeting
- Staff Inductions
- Whistleblowing Policy
- Dedicated Monitoring Officer
- ICT Security Policy
- Cyber Security
- GDPR guidance

Principle B: Ensuring openness and comprehensive stakeholder engagement

Rationale: Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Related Key Theme: 3) Customer, Citizen and Community Focused, 5) Committed to Partnership

The Council is committed to:

Sources of assurance

Openness

B1. Ensuring an open culture through demonstrating, documenting and communicating our commitment to openness

B2. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided

B3. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear

B4. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action

Engaging comprehensively with institutional stakeholders

B5. Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably

- [Executive](#) and Council meetings are held in public (with the exception of exempt items) and all papers are published on the Council website
- [Records of decisions](#) and supporting materials are made available.
- 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.
- The webcasting of meetings of [the Executive](#), [Planning & Orders](#) and [Council meetings](#).
- Annual reports are published by Scrutiny, the Standards Committee and the Governance & Audit Committee.
- The [Annual Delivery Document](#) outlining what activities will be undertaken throughout the year against the Council Plan objectives is published

B6. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively

B7. Ensuring that partnerships are based on trust, a shared commitment to change and a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit

Engaging stakeholders effectively, including individual citizens and service users

B8. A clear policy on the type of issues that the Council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service provision is contributing towards the achievement of intended outcomes

B9. Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement

B10. Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs

B11. Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account

B12. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity

B13. Taking account of the interests of future generations of tax payers and service users

- An [Annual Performance Report](#) is published to demonstrate progress against the Council Plan (Annual Delivery Document) for the previous year
- A [Quarterly Scorecard monitoring report](#) is published progress to demonstrate against Key Performance Indicators linked to the Council Plan and Service objectives.
- The Council uses the [Website](#) and [Social Media](#) to reach a growing number of residents and stakeholders.
- [Freedom of Information](#) practices are in place to publish responses to requests.
- The [Public Services Boards for Gwynedd and Ynys Môn](#) local authority areas became a statutory body under the Well-being of Future Generations (Wales) Act 2015.
- A Staff Survey is held every three years and the results are used to inform varying agendas across the council.
- Members of [North Wales Economic Ambition Board](#)
- Members of [GwE board](#)
- Partners with other Local Authorities and Health Board on the [North Wales Social Care and Well-being Regional Collaborative](#)
- [North Wales Councils - Regional Emergency Planning Service](#)
- The [Community Engagement Model](#) is used to improve the corporate approach to community engagement. This model is essential in order to identify those communities and groupings that will have an interest in taking over responsibilities for delivery of local type needs in their communities
- 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.

- The [Transforming Business Processes Board](#) assists the Council to contribute to its theme of achieving '*excellent customer, citizen and community focus*' (Six Key Themes) and it is responsible for all aspects of Customer Service and is used to monitor and improve the customer experience for our residents.
 - Mystery shop exercises are undertaken to audit the Council's adherence to the [Welsh Language Standards](#) and the Customer Service Charter
 - Full Council, The Executive and Planning & Orders Committee meetings are all [webcast](#) and available to view for up to six months after the meetings online.
 - Citizens are welcome to attend public meetings and arrange to speak publicly on the Scrutiny and Planning & Orders Committees
 - A [Corporate Complaints procedure](#) is in place and [statistics](#) are published quarterly on the website
 - A separate complaints procedure is in place for [Social Services](#)
- Stakeholders are able to respond to [consultations](#) on the website

Principle C: Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits

Rationale: The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Related Key Theme: 3) Customer, Citizen and Community Focused, 5) Committed to Partnership, 6) Achieving

The Council is committed to:

Sources of assurance

Defining Outcomes

- C1. Having a clear vision which is an agreed formal statement of the Council’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council’s overall strategy, planning and other decisions
- C2. Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer
- C3. Delivering defined outcomes on a sustainable basis within the resources that will be available
- C4. Identifying and managing risks to the achievement of outcomes
- C5. Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available.

- The Council’s overall vision is reflected in the [Council Plan](#) which covers the period of the local elections of five years. It is a Plan which describes priorities clearly and explains how the priorities reflect the views of the citizen and is aligned to the ever developing medium term financial strategy.
- The [Medium Term Financial Strategy](#) is reviewed annually, in line with the corporate priorities.
- All services produce an annual [Service Delivery Plan](#) that shows clearly how they contribute towards achieving our corporate priorities. All service plans contain measures and success criteria to evidence how actions will make a difference.
- Key Performance Indicators aligned to the Council Plan are monitored on a quarterly basis through the [Corporate Scorecard](#). The Corporate Scorecard Report is reported to the Senior Leadership Team, Corporate Scrutiny and The Executive where mitigating actions against underperforming KPIs are agreed for implementation by the Services.
- Services are 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

<p>Sustainable economic, social and environmental benefits</p> <p>C6. Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</p> <p>C7. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints</p> <p>C8. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p> <p>C9. Ensuring fair access to services</p>	<p>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</p> <ul style="list-style-type: none"> • Performance and progress against the Council Plan is published annually in the Annual Performance Report, and financial performance is published in the Statement of Accounts. • The Gwynedd and Anglesey Public Services Board was established in 2016, in accordance with the Well-being of Future Generations (Wales) Act 2015. The PSB provide both an Annual Report and Progress reports throughout the year. • Annual Governance Statement • Quarterly Revenue and Capital Reports • The Director of Social Services is required to produce an Annual Report • Welsh Language Annual Monitoring Report
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Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Rationale: Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Related Key Theme: 2) Innovative, Ambitious and Outward Looking

The Council is committed to:	Sources of assurance
<p>Determining and Planning interventions</p> <p>D1. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.</p> <p>D2. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</p> <p>Optimising achievement of intended outcomes</p> <p>D3. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p>	<ul style="list-style-type: none"> • The Constitution sets out clearly how the Council operates and how decisions are made and procedures need to be followed to ensure efficiency, transparency and accountability • Council Committee Structures - Council, the Executive, the Governance & Audit Committee, Democratic Services Committee, Planning & Orders, Licensing, Corporate Scrutiny, Partnership & Regeneration Scrutiny Committee, and the Standards Committee. • The Isle of Anglesey County Council has responsibility for the policy and budget framework. Key governance reports are matters for Council, and Council agree the annual revenue and capital budget. • The Executive is the key decision making body and consists of the leader and eight further portfolio holders. • The Governance and Audit Committee is a key component of the Council's governance framework. The committee includes a lay co-opted member which serves to widen the independent knowledge and experience base. • The Corporate Scrutiny Committee provides assurance regarding performance and delivery of all services, It ensures

<p>D4. Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p> <p>D5. Considering and monitoring risks facing each partner when working collaboratively including shared risks</p> <p>D6. Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances</p> <p>D7. Establishing appropriate local performance indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured</p> <p>D8. Ensuring capacity exists to generate the information required to review service quality regularly</p> <p>D9. Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan</p> <p>D10. Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</p> <p>Optimising the achievement of intended outcomes</p> <p>D11. Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</p> <p>D12. Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</p>	<p>that the council achieves its corporate and service objectives whilst supporting and making recommendations for continuous improvement.</p> <ul style="list-style-type: none"> • The Partnership and Regeneration Scrutiny Committee ensures that the interests of the citizens of the Island are promoted and that the best use is made of Council resources, in line with the Council's priorities, that demonstrate added value from working with partners. • 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. • The Senior Leadership Team (SLT) and Y Penaethiaid ensure that outcomes are monitored and achieved throughout the year. • Services are 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. • The Council has a Corporate Planning and Performance Management Framework in place • The programmes and projects aligned to the Council Plan are monitored by the Corporate Governance Programme Board and Transforming Services Programme Board. • The Anglesey Energy Island™ Programme, established by Isle of Anglesey County Council, is a collective effort between several stakeholders within the public, private and third sectors working in partnership, putting Anglesey at the forefront of low carbon energy research and development, production and
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D13. Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage

servicing, and bringing with it potentially huge economic rewards.

- The Council works with tourism industry partners in order to create a more long-term tourism strategy for the Island. The [Destination Anglesey Partnership Board \(DAP\)](#) monitor achievements against the [Destination Anglesey Management Plan](#)
- [Budget Consultation](#)
- [Medium Term Financial Strategy](#)
- [The Council's Budget Book](#)

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Rationale: Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Related Key Theme: 4) Valuing and Developing our People

The Council is committed to:

Sources of assurance

Developing the entity's capacity

E1. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.

E2. Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness,

E3. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently,

E4. Recognising the benefits of partnerships and collaborative working where added value can be achieved

Developing the capability of the entity's leadership and other individuals

- Workforce Development Strategy
- Workforce Development Plans for each Service
- People Strategy
- Annual Appraisal (PDR)
- Equalities Plan 2020-24
- Member briefing sessions
- Managers Forum
- Staff Awards
- WLGA Charter for Member Support
- [Member Development and Training Programme](#)
- Trainee Scheme
- Denu Talent (Attracting Talent Scheme)
- Learning Pool / E-Learning
- Internal Training Programme – including Arweinyddion Môn, Academi Môn, and 'Twf a Datblygu' (Growth and Development)

E5. Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained

E6. Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body

E7. Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority

E8. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:

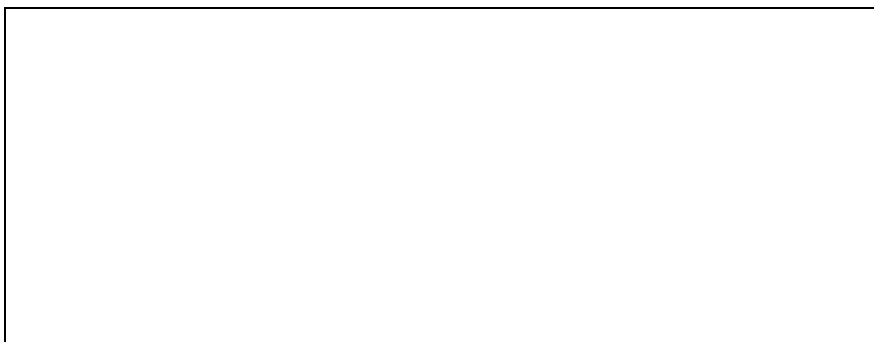
- ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged,
- ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis,
- ensuring personal, organisation and system-wide development through shared learning, including
- lessons learnt from both internal and external governance weaknesses

E9. Ensuring that there are structures in place to encourage public participation

E10. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections

E11. Holding staff to account through regular performance reviews which take account of training or development needs

E12. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing



Principle F: Managing risks and performance through robust internal control and strong public financial management

Rationale: Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Related Key Theme: 1) Professional and Well Run

The Council is committed to:	Sources of assurance
<p>Managing Risks</p> <p>F1. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</p> <p>F2. Implementing robust and integrated risk management arrangements and ensuring they are working effectively</p> <p>F3. Ensuring that responsibilities for managing individual risks are clearly allocated</p> <p>Managing Performance</p> <p>F4. Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review</p>	<ul style="list-style-type: none"> • Risk Management Policy and Framework • Risk management software 4risk • Performance Management Framework • Council Plan • Annual Delivery Plan • Annual Performance Report • Self-Assessment (Internal) • Service Reviews – Financial and Performance • Corporate Programme Boards • Internal Audit’s self-assessment against the Public Sector Internal Audit Standards (PSIAS) • Internal Audit reports • Internal Audit action tracking software (4action) • SIRO Annual Report • Information Governance Training • Information Governance Policy

<p>F5. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook</p> <p>F6. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the Council's performance and that of any organisation for which it is responsible</p> <p>F7. Providing members and senior management with regular reports on progress towards outcome achievement.</p> <p>F8. Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</p> <p>Robust Internal Control</p> <p>F9. Aligning the risk management strategy and policies on internal control with achieving objectives</p> <p>F10. Evaluating and monitoring risk management and internal control on a regular basis</p> <p>F11. Ensuring effective counter fraud and anti-corruption arrangements are in place</p> <p>F12. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p> <p>F13. Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:</p>	<ul style="list-style-type: none"> • Corporate Information Governance Board • ICT Security • Quarterly Revenue Reports • Quarterly Capital Reports • Statement of Accounts • 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. • Medium Term Financial Plan • Procurement Strategy • 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.
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- provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment
- that its recommendations are listened to and acted upon

Managing Data

F14. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data

F15. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies

F16. Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring

Strong Public Financial Management

F17. Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance

F18. Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

Principle G: Implementing good practices in transparency, reporting, and audit to deliver

Rationale: Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Related Key Theme: 1) Professional and Well Run

The Council is committed to:

Sources of assurance

Implementing good practices in transparency and reporting

G1. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate

G2. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand

G3. Reporting at least annually on performance, value for money and the stewardship of resources

G4. Ensuring owners and senior management own the results

G5. Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)

G6. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate

- All agendas and reports are available on the Council Website
- Governance & Audit Committee
- Annual Report of the Governance and Audit Committee – Chair's Report
- Members register of interest
- Town and Community Council register of interest
- Internal Audit Reports
- Monthly Member briefing sessions
- External Audit reports including Estyn, Welsh Audit, Care Inspectorate Wales
- Inspectorate Reports
- Annual Scrutiny Report
- Annual Internal Audit Report

G7. Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations

Assurance and effective accountability

G8. Ensuring that recommendations for corrective action made by external audit are acted upon

G9. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon

G10. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations

G11. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement

G12. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met

Appendix 1

The Six Key Themes

The Six Key Themes have been developed by staff and management to support our aims and objectives in the Council Plan. They are used as a basis to everything we do and tie in with the Core Principles and the Wellbeing of Future Generations (Wales) Act 2015 principles –

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.

ISLE OF ANGLESEY COUNTY COUNCIL	
MEETING:	County Council
DATE:	10 March 2022
TITLE OF REPORT:	Pay Policy Statement 2022
REPORT BY:	Councillor Dafydd Rhys Thomas
PURPOSE OF REPORT:	To ensure that the Authority satisfies its statutory obligations under the Localism Act 2011 to have a published Pay Policy by 31.3.22

INTRODUCTION

Under Section 112 of the Local Government Act 1972 the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. The Localism Act of 2011, Section 38, requires English and Welsh local authorities to produce and publish a pay policy statement for each financial year.

SCOPE OF THE POLICY

The Localism Act 2011 requires authorities to develop and make public their pay policy on all aspects of Chief Officer Remuneration. In the interest of transparency and accountability the Council has chosen to take a broader approach and produce a policy statement covering all employee groups, with the exception of school teachers as their remuneration is not within local authority control. Welsh Government guidelines have been incorporated into the statement.

RECOMMENDATION

It is recommended that the Council endorse the Pay Policy Statement attached to this report as its Pay Policy Statement for 2022/23.

Appendix 1 Pay Policy Statement

ISLE OF ANGLESEY COUNTY COUNCIL

PAY POLICY STATEMENT

FEBRUARY 2022

1. Introduction and Purpose

Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011, requiring English and Welsh local authorities to produce and publish a pay policy statement for each financial year. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding those teaching in local authority schools) by identifying;

- the methods by which salaries of employees are determined;
- the level and elements of remuneration of its chief officers as defined by the relevant legislation;
- the level of remuneration of its lowest paid employees;

Local authorities are large complex organisations with multi-million pound budgets. They have a very wide range of functions and provide and/or commission a wide range of essential services. The general approach to remuneration levels may therefore differ from one group of employees to another to reflect specific circumstances at a local, Welsh or UK national level. It also needs to be flexible when required to address a variety of changing circumstances and aligned to business objectives.

2. Legislative Framework

In determining the pay and remuneration of its employees, the Council will comply with all relevant employment legislation. This includes (but not exhaustively) the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006.

3. Scope of the Pay Policy Statement

The Localism Act 2011 requires authorities to develop and make public their pay policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office), and that pertaining to the ‘lowest paid’ in the authority, explaining their policy on the relationship between remuneration for senior management and other employees, with the exception of school teachers as their remuneration is not within local authority control. .

Nothing within the provisions of the Localism Act 2011 detracts from councils’ autonomy in making decisions on pay that are appropriate to local circumstances and which deliver

value for money for local tax payers. However, this policy statement will be complied with in setting remuneration levels for all groups within its scope.

This pay policy does not apply to teaching staff in the local authority's schools, who will have their own pay policy.

4. Development of Pay and Reward Strategy

The primary aim of a reward strategy is to attract, retain and motivate suitably skilled staff so that the organisation can perform at its best. One of the biggest challenges for the Council is to maximise productivity and efficiency within current resources. Pay policy is a matter of striking a sometimes difficult balance between setting remuneration at appropriate levels to facilitate a sufficient supply of appropriately skilled individuals to fill the authority's very wide range of posts, and ensuring that the burden on the taxpayer does not become greater than can be fully and objectively justified.

In this context it does need to be recognised that at the more senior levels in particular, remuneration levels need to enable the attraction of a suitably wide pool of talent and the retention of suitably skilled and qualified individuals once in post. It should be recognised that the Council will often be seeking to recruit in competition with other good public and private sector employers.

The Council is a major employer in the area and, as such, must have regard to its role in improving the economic well-being of the people of Anglesey. The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local economy. The Council also has a role in setting a benchmark example on pay and conditions to other employers in the area for the same reasons.

In designing, developing and reviewing pay and reward strategy the Council will seek to balance these factors appropriately to maximise outcomes for the organisation and the community it serves, whilst managing costs appropriately and maintaining sufficient flexibility to meet future needs. This Pay Policy Statement will be reviewed and approved on an annual basis by the Full Council.

5. Pay Structure

The Council uses the nationally negotiated NJC pay spine as the basis for its local grading structure. This determines the salaries of the large majority of the non-teaching workforce, together with the use of other nationally defined rates where relevant. In August 2020 a pay award for NJC employees covering the period from 1 April 2020 to 31 March 2021 was agreed. No confirmation on acceptance of a pay offer of 1.75% from 1 April 2021 has been received, as, at the date of publication of this report Trade Unions have rejected the offer and have balloted their members for industrial action early in 2022. The Council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine. The Council is committed to fairly determining pay in accordance with equal pay legislation and has, from 1 December 2015, implemented a Single Status pay and grading structure. The Council's NJC grading structure runs from Grade 1 (scp 3) to Grade 10 (max scp 50) with current

minimum and maximum hourly rates of pay being £9.62 and £28.95 respectively. This Pay Policy Statement will be subsequently revised if a further pay award from 1 April 2021 is agreed.

Once a post has been evaluated, the score will determine into which pay grade or band the post will be assimilated. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate, with the agreement of the Head of Service – HR & Transformation. Salaries are then subject to an incremental increase each year until the maximum rate of the grade is reached (normally within 3 years).

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy.

The Council does not generally utilise the practice of applying market supplements to take account of the external pay market in the attraction and retention of employees with particular experience, skills and capacity. However, a Market Supplement Policy exists and, in implementing this, the Council will ensure that any application for market supplements will be objectively justified by reference to clear and transparent evidence of successive failure to recruit to a particular post and evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector. The Council, through its Secondments and Honoraria Policy, can also apply temporary honoraria to individuals who, for various reasons, are acting up to a higher level of responsibility for a period of time.

The Council expects high levels of performance from all employees and has an Annual Appraisal Scheme in place to monitor, evaluate and manage performance on an ongoing basis. However, the Council does not operate any performance related pay arrangements. The Council's Appraisal process forms the basis of the approach to talent management and succession planning. Based on the analysis of the performance and potential of employees, managers can plan relevant talent actions, considering everyone as an individual, the development they need, making them feel rewarded and enabling them to be effective in their role within the Council. The main part of the process is the open, honest and constructive conversation between the manager and the employee to establish where they are now, where they want to be and how they can be supported to get there.

6. Other Benefits

Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently vary between 5.8% - 11.4% of salary, dependent upon defined pay bands relating to whole-time equivalent salary. The Employer contribution rates are set by Actuaries advising the Gwynedd Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The rate from 1.4.2020 will be 21.4% and is applicable until 31.3.2023.

The Council has a range of other terms and conditions applicable to its employees, based largely upon National Joint Council terms and conditions, supplemented by locally

negotiated conditions and policies. Certain of these terms and conditions result in monetary payments, including car loans, payment of professional fees and honoraria payments for undertaking additional responsibilities. No bonuses are paid. For relevant 'additions to salary of Chief Officers', see paragraph 10 below. Staff terms and conditions are reviewed on a regular basis in consultation and negotiation with our recognised trade unions.

7. Equal Pay and Gender Pay Gap Reporting

The Council is committed to the principle of equal opportunities and equal treatment for all employees. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex and evaluates job roles and pay grades as necessary to ensure a fair structure. The Council reports its gender pay gap figure annually to the Office for National Statistics. While the Council does have a negative gender pay gap, it is confident that this pay gap does not stem from paying men and women differently for the same or equivalent work and is pleased to report that its mean gender pay gap is below the national average.

The Council's gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. While the Council employs more women than men overall, they are not evenly spread across the grades. The majority of staff at lower grades are women. Any pay awards are implemented at all grades therefore will not reduce the gender pay gap significantly. However, the Council is committed to addressing its gender pay gap by supporting women at all levels of the organisation to develop and further their careers.

8. Senior Management Remuneration

For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The following posts are identified as falling within the statutory definition of 'senior management' in the context of this statement:-

- a) Chief Executive/Head of Paid Service – the senior officer who leads and takes responsibility for the Authority, working closely with elected members to deliver the Authority's aims and objectives.
- b) Senior Leadership Team - Deputy Chief Executive, Director of Function (Resources)/Section 151 Officer, Director of Function (Council Business)/Monitoring Officer, Directors of Social Services and Education, Skills & Young People
- c) Heads of Service – Children & Families/Deputy Director of Social Services, Adult Services, HR & Transformation, Housing, Highways, Waste & Property and Regulation & Economic Development

In 2019 all job descriptions within the Senior Management structure were evaluated in accordance with the Local Government Association (LGA) Job Evaluation Scheme for senior officers and externally validated by the LGA. The scores were then translated into a salary structure (again reviewed by the LGA and shown below) prior to submission to the Independent Remuneration Panel for Wales (IRP) who confirmed their full support for the proposed grading and salary structure.

LGA Salary structure Senior Management Team –

LGA Grade	Post	Salary 01/04/2022
LGA 1		
LGA 2	Heads of Service	80,294
LGA 2A	Director of Function Monitoring Officer	81,743
LGA 3	Directors / Director of Function S151 Officer	90,420
LGA 4	Deputy Chief Executive	101,058
LGA 5	Chief Executive	122,334

Senior management basic remuneration as at **1st April 2022**, (and subject to the agreement of any pay awards for 2022/23) is therefore as follows:

<u>Senior Officer</u>	<u>Remuneration</u>
Chief Executive – LGA5	£122,334 per annum (non-incremental) This officer is required to act as Head of Paid Service and will also receive additional fees for Returning Officer duties
Senior Leadership – LGA2A-LGA4 -	£81,743 - £101,058 per annum
Heads of Service – LGA2 -	£80,294 per annum

No other additional special allowances, increments or bonuses are included in the remuneration arrangements.

The Council's Appointments Committee convenes to consider and provide recommendations to the Council on levels of pay and reward for the above three tiers of senior officers. The scope of the Committee is to:-

- Make recommendations on senior pay and reward issues to Council, ensuring consistency, transparency and accessibility.
- Make recommendations on the management of and structure of senior pay and reward, and grounds for pay progression
- Make recommendations to the full Council on the appointment of senior management

Section 143A of the Local Government (Wales) Measure 2011 gives the Independent Remuneration Panel for Wales (“the IRP”) powers to make recommendations in relation to the salary of the Head of Paid Service, or any proposed changes to the salary of the Head of Paid Service. The Council will consider any recommendations received from the IRP in relation to remuneration for its Head of Paid Service.

9. Recruitment of Chief Officers

The Council’s policy and procedures with regard to recruitment of Chief Officers is set out within the Officer Employment Procedure Rules as set out in Part 4.10 of the Constitution. When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Recruitment and Selection, and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the agreed pay structure and relevant policies in place at the time of recruitment.

Where the Council is unable to recruit Chief Officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under ‘contracts for service’. These will be sourced through a relevant procurement process, ensuring the council is able to demonstrate the maximum value for money benefits from competition, in securing the relevant service.

In line with Welsh Government regulations, it is the Council’s policy that the full Council is offered the opportunity to vote on remuneration and any restructures at senior management level, regardless of salary levels. Welsh Government regulations also specify that all posts attracting a salary of £100,000 or higher must be advertised externally if the duration of the post is expected to be for 12 months or more.

10. Pay Awards

The Council employs its Chief Executive and Chief Officers under JNC terms and conditions which are incorporated in their contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this council will therefore pay these as and when determined in accordance with current contractual requirements.

11. Additions to Salary of Chief Officers

Chief Officers are subject to the same qualifying criteria and arrangements as other employees with regard to receipt of additional monetary-based terms and conditions, including mileage payments and reimbursement of professional fees.

12. Payments on Termination

The Council’s approach to statutory and discretionary payments on termination of employment of Chief Officers and all employees falling within the scope of this statement, prior to reaching normal retirement age, is set out within its policy statement in accordance

with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. Any enhancements provided within the Council's policy are applied to all staff, irrespective of grade or status.

Full Council will have an opportunity to vote on all severance packages over £100,000, the total amount to include severance pay, salary paid in lieu of notice and the cost to the Council of the strain on the pension fund arising from providing early access to pension. Any other payments falling outside the provisions of contractual terms shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

The Council does not currently have any instances of re-engagement of retired Chief Officers. If circumstances arose where this needed to be considered for business-critical reasons, any such decision would be made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such arrangements, and be in line with the Council's Restructuring & Redundancy Policy as noted below.

The Council's Restructuring & Redundancy Policy states that any employee who leaves the employment of the Council on voluntary redundancy terms will not be re-employed by the Council for the duration of the redundancy compensation payment period received, e.g. if a member of staff receives 45 weeks' redundancy payment, they cannot be re-employed by the Council for 45 weeks after the termination date. This period will be extended to 12 months if the employee is also in receipt of a pension for which the Council has incurred additional costs. Any re-employment sooner than that noted above would have to be with the express authorisation of the Senior Leadership Team and the Head of Service – HR & Transformation who would consider each case on its merits.

13. Lowest Paid Employees

The lowest paid persons employed under a contract of employment with the Council are employed on full time 37 hours equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1 April 2022, and subject to any future pay offer for 2021/22 being agreed (as outlined in paragraph 5), this point is the current nationally agreed scale point 3 of £18,562 per annum, or £9.62 per hour, compared with the National Living Wage of £9.50 per hour at 1 April 2022 and the current Real Living Wage (set in October 2021) of £9.90 per hour.

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more

than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Council's workforce.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. When expressed as a multiplier of pay, the Chief Executive's salary is 6.6:1 greater than that of the Council's lowest earner.

14. External Contractors

The Council will utilise its procurement processes to ensure that fair and ethical pay practices are adopted by external contractors commissioned to deliver services.

15. Publication

Upon approval by the full Council, this statement will be published on the Council's Website. In addition, for posts where the full time equivalent salary is at least £60,000, the Council's [Annual Statement of Accounts](#) will include a note setting out the total amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above.

16. Accountability & Decision Making

Section 54 of the Local Government & Elections (Wales) 2021 Act 1 requires the Chief Executive to keep continuously under review the arrangements for the recruitment, pay and grading of the Council's staff.

17. Monitoring

This Pay Policy Statement will be reviewed annually and presented annually to a meeting of the full Council either in February or March, following which it will be published on the Council's website.

The Council has considered all current guidance in the development of this pay policy but should further amended guidance be received, or subsequent pay awards agreed, the Council may decide to amend its policy with full Council approval. The revised version will be published on the website.

February 2022

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