

THE EXECUTIVE

Minutes of the meeting held on 12 June, 2017

PRESENT:	Councillor Llinos Medi Huws (Chair) Councillor Ieuan Williams (Vice-Chair) Councillors Richard Dew, John Griffith, R. Meirion Jones, R.G.Parry, OBE, FRAGs, Dafydd Rhys Thomas
IN ATTENDANCE:	Chief Executive Assistant Chief Executive (Partnerships, Community and Service Improvement), Head of Function (Resources) & Section 151 Officer Head of Function (Council Business)/Monitoring Officer Head of Learning Head of Highways, Waste & Property Services Head of Housing Services Head of Democratic Services (for item 4) Principal Surveyor (RG) (for item 9) Committee Officer (ATH)
APOLOGIES:	None
ALSO PRESENT:	Councillors Glyn Haynes, Aled Morris Jones, Alun Mummery, Shaun Redmond

The Chair welcomed all those present to the Executive's first meeting under the new Council.

1. DECLARATION OF INTEREST

Councillors R.G.Parry, OBE, FRAGs and Ieuan Williams declared a personal and prejudicial interest with regard to item 8 on the agenda.

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

None to report.

3. MINUTES

The minutes of the previous meeting of the Executive held on 24 April, 2017 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 24 April, 2017 be confirmed as correct.

4. THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Head of Democratic Services incorporating the Executive's Forward Work Programme for the period from July, 2017 to February, 2018 was presented for the Executive's approval.

The Head of Democratic Services reported on changes to the Forward Work Programme since the previous reporting period as follows –

- **Items new to the Forward Work Programme**

- Items 12, 33 and 38 which relate to the write-off of debts in value over £5,000 the decision on which is delegated to the Portfolio Member for Finance and the Section 151 Officer under the Council's scheme of delegation.
 - Items 9 and 11 which are scheduled for consideration by the Executive at the 17 July, 2017 meeting.
 - Items 18 and 21 which are scheduled for consideration by the Executive at the 18 September, 2017 meeting.
 - Item 23 which is scheduled for consideration by the Executive at the 30 October, 2017 meeting.
 - Items 29 and 30 which are scheduled for consideration by the Executive at the 27 November, 2017 meeting.
 - Items 35 and 36 which are scheduled for consideration by the Executive at the 18 December, 2017 meeting.
 - Items 40, 41, 42, 43, 44, 45, 46 and 47 which are scheduled for consideration by the Executive at its designated Budget meeting on 19 February, 2018.
- **Items deferred to a later date**
 - Item 6 (Update on the Smallholdings Programme of Improvements) now re-scheduled from the 17 July meeting as shown originally on the work programme to the 18 September, 2017 meeting of the Executive.
 - Item 8 (Gypsy and Traveller Sites) re-scheduled to the 17 July, 2017 meeting of the Executive.

It was resolved to confirm the Executive's updated Forward Work Programme for the period from May to December, 2017 subject to the additional change reported at the meeting.

5. 2016/17 REVENUE BUDGET MONITORING REPORT

The report of the Head of Function (Resources) and Section 151 Officer setting out the provisional outturn of the financial year from 1 April, 2016 to 31 March, 2017 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the overall projected financial position for 2016/17 is an underspend of £633k; this is an improvement on the forecast overspend reported at Quarter 3. The explanations for significant variances on the controlled budgets by services are included within the report. A number of items are excluded from the service budgets as expenditure against these are outside the control of the services. After taking into account these items, the overall underspend for the Council decreases to £311k which is the sum available to be transferred to the Council's General Balances.

The Portfolio Member for Finance highlighted the following as issues to be noted –

- A potential commitment in the region of £2.8m to settle outstanding equal pay claims which reduces the uncommitted reserve level from £7.886m to £5.086m. The Council is at present seeking to obtain the Welsh Government's agreement to be allowed to treat this expenditure as capital expenditure which would charge the cost to the revenue budget over a number of years. Should the Welsh Government accede to the request then the £2.8m becomes uncommitted and goes back to the general reserve available to the Council.
- A deterioration in the position of the Central Education budget's position being overspent by £861k at year end compared to £775k at Quarter 3. An increase in specialist out of county placements from the commencement of the new academic year has led to significant budgetary pressures on the service and accounts for £396k of the overspend. School transport costs have also overspent to the sum of £331k.
- Children's Services were overspent by £1,019k at outturn which is significantly more than the projected outturn at Quarter 3 and is attributable to the cost of meeting the often specialist provision for looked after children. This is a demand led provision over which the service only has limited control. However, mitigating measures are being implemented primarily by taking a preventative approach to ensuring the wellbeing of the looked after population on Anglesey as described in paragraph 3.3.2 of the report.

- An underspend of £1.541m on Corporate Finance due mainly to a one off windfall and savings on Corporate Financing will fund the overspend on services.

The Portfolio Member for Finance concluded that the savings achieved in 2016/17 were due in part to providential circumstances which raises the question as to their continuing availability in 2017/18. The message to services is that it is imperative they hit their savings targets for the 2017/18 financial year.

The Head of Function (Resources) and Section 151 Officer reiterated that services, especially Education and Children's Services are experiencing financial pressures. Moreover as savings are factored into budgets it becomes increasingly difficult for services to underspend; it is a situation that calls for close and careful management.

The Executive noted the overall position and made particular reference to the overspend in the Central Education Budget. The Executive noted that School Transport is an area that has historically overspent on budget and given so it was asked whether the budgets for this provision as well as for out of county placements are realistic and whether these budgets would benefit more from a zero based budgeting approach where funding is allocated on a needs basis. The Head of Function (Resources) and Section 151 Officer said that he believed that school transport could yet yield further savings by considered and careful organisation; the education out of county placements budget came under pressure in September which could not have been foreseen; it is a budget that is especially susceptible to the movement of children in and out of the care system.

The Executive noted that the 2017/18 financial year is likely to prove challenging and needs to be closely monitored.

It was resolved –

- **To note the position set out in respect of financial performance for 2016/17.**
- **That the outturn as reported in this document remains provisional until the completion of the statutory audit.**

6. 2016/17 CAPITAL BUDGET MONITORING REPORT – QUARTER 4

The report of the Head of Function (Resources) and Section 151 Officer setting out draft outturn position of the Capital Programme for 2016/17 financial year was presented for the Executive's consideration.

The Portfolio Member for Finance referred to the table as at paragraph 2.1 of the report which provides a summary of capital expenditure to 31 March, 2017. He reported that the budget for the General Fund was £38.665m with expenditure of £28.033m incurred at 31 March, 2017 which equates to 73% of the budget. The main reasons for the underspend was the large underspend against the budget for the 21st Century Schools, the Holyhead and Llangefni Strategic Infrastructure and the New Highways to Wylfa Newydd. Funding for these projects can also be carried forward to 2017/18. Details of all capital schemes' expenditure against the budget is provided in Appendix B of the report. The proposal is for £4.677m to be carried forward in to 2017/18 as slippage for capital schemes that did not complete by the end of March, 2017.

The smallholdings programme of improvements was extended for an additional year. Taking into account the £1.281m deficit brought forward from 2015/16, total capital receipts of £2.854m at year end and expenditure of £1.226m, there is now a surplus of £0.307m. The net surplus from the sale of smallholdings and the improvement programme will be ring-fenced for future improvements to smallholdings.

With regard to capital receipts, overall, 2016/17 was a successful financial year with over £5m being received.

It was resolved –

- To note the draft outturn position of the Capital Programme 2016/17 that is subject to audit.
- To approve the carry forward of £4.677m to 2017/18 for the underspend on the programme due to slippage. The funding for this will carry forward to 2017/18.

7. 2016/17 HOUSING REVENUE ACCOUNT (HRA) BUDGET MONITORING REPORT – QUARTER 4

The report of the Head of Function (Resources) and Section 151 Officer setting out the financial performance of the Housing Revenue Account (HRA) for 2016/17 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the draft financial position for 2016/17 shows an underspend of £3,263k. Therefore, the HRA generated a surplus of £525k (against a planned deficit of £2,738k) leaving a balance on reserves of £7,567k which can be carried forward to fund future capital programmes, including new build, as outlined in the latest 30 year business plan. Details are provided in Appendix A to the report.

The Chair requested that Scrutiny be provided with quarterly updates on the HRA budget to complement the regular financial reporting to Scrutiny on the revenue and capital budgets. The Head of Function (Resources) and Section 151 Officer confirmed that that is the intention.

It was resolved –

- To note the position set out in respect of the financial performance of the Housing Revenue Account (HRA) for 2016/17.
- That the outturn as reported within the document remains provisional until the completion of statutory audit.

8. TEMPORARY DISCRETIONARY HIGH STREET BUSINESS RATES RELIEF SCHEME 2017/18

The report of the Head of Function (Resources) and Section 151 Officer requesting the Executive to use discretionary relief powers under Section 47 of the Local Government Act 1988 to adopt a temporary business rates relief scheme was presented for consideration.

Having declared a personal and prejudicial interest in this matter, Councillor R.G. Parry, OBE, FRAGS and Ieuan Williams withdrew from the meeting during the consideration and determination thereof.

The Portfolio Member for Finance reported that the Welsh Government has announced that it will provide a non-domestic rates high street rates relief from 1 April, 2017 which will be available for one year only to 31 March, 2018. The relief is targeted at high street retailers in Wales and will provide two tiers of non-domestic rates relief for eligible high street retailers occupying premises with a rateable value of £50,000 or less in the 2017/18 financial year, subject to state aid limits. Award of the relief will be application based. Details of the eligibility criteria and expectations are set out in the Guidance at Appendix A to the report.

It was resolved –

- That the Authority use its discretionary relief powers granted under Section 47 of the Local Government Act 1988 to award the Welsh Government's temporary "High Street Rates Relief" scheme. Relief to be provided in accordance with the Welsh Government's "Non-domestic Rates High Street Rates Relief Guidance" 19 April, 2017 as at Appendix A to the report.
- That the Head of Function (Resources) and Section 151 Officer, under the Council's Scheme of Delegation to Officers (part 3.5.3.5.19 of the Constitution) makes suitable arrangements to administer and determine applications for the "Non-domestic Rates High Street Rates Relief" scheme.

9. ENERGY EFFICIENCY STRATEGY

The report of the Head of Service (Highways Waste and Property) incorporating an Energy Efficiency Strategy for 2017 to 2022 was presented for the Executive's consideration and approval.

The Portfolio Member for Highways, Waste and Property reported that the strategy has been formulated to respond to national commitments on energy including the Wellbeing of Future Generations (Wales) Act 2014; rising energy prices and long-term damage to the environment. The strategy also designates roles and responsibilities to implement the strategy, to identify and make the best use of Government grants and to disseminate the message about saving energy more widely across the Council. The aim of the strategy is to enable the Council in Anglesey to deliver a 15% reduction in its energy consumption by 2022 and to ensure that all its energy consumption derives from a carbon neutral source by 2050. The Council's annual expenditure on energy and waste was over £2.1m in 2015/16; by adopting the recommendations of the strategy, the Council can mitigate the effects of above inflation increases in fuel costs. The Council has already initiated a number of energy saving projects, some of which have come to fruition. The overall objectives are to reduce energy consumption; to promote green energy sources and to generate employment opportunities from the green energy industry. This will be done initially on an invest to save basis with the expectation that much of the expenditure will be recouped over time in lower energy costs.

The Portfolio Member Member for Highways, Waste and Property said that the Executive will be provided with regular progress reports; Members of the Executive are also keen to receive more specific information about actual and potential energy saving plans.

The Head of Service (Highways, Waste and Property) said that the Council does have a programme of energy saving works which is dependent wholly on Welsh Government grants e.g. the SALIX Wales funding programme. The Authority has been particularly successful with regard to funding for street lighting with 40% of street lighting now LED lighting which has been paid for by the saving on the energy consumed and also by the reduced maintenance costs for this type of lighting. It is accepted that currently there is no capital funding available internally within the Council to support this programme there being other priorities in the capital programme.

The Executive whilst supporting the strategy, sought assurance regarding the achievability of the strategy's aims given the funding limitations. The Executive also requested that it have sight of the programme of energy saving works referred to by the Officer and further suggested that there might be potential alternative sources of funding e.g. interest free loans for the programme that could be explored.

The Head of Service (Highways, Waste and Property) confirmed that the strategy is capable of being realised. There are grants/finance for example for lighting which can be paid back over a fixed term and if a scheme meets the energy efficiency criteria then there is good chance of securing a grant – another such high priority scheme is boiler replacement in the leisure centres. The Officer said that the energy saving programme will be brought to the Executive in the near future.

The Assistant Chief Executive (Partnerships, Community and Service Improvement) said that progress against the energy efficiency plan will be monitored by the internal Corporate Land and Building Assets group.

It was resolved to approve the Energy Management Strategy for 2017 to 2022 as presented.

10. COMPULSORY PURCHASE ORDER – LLANGFNÍ LINK ROAD

The report of the Head of Service (Highways Waste and Property) seeking the Executive's approval to make a Compulsory Purchase Order under section 239 of the Highways Act 1980 to acquire land necessary to deliver Section 3 of the Llangfni Link road was presented.

The Portfolio Member for Highways, Waste and Property reported that sections 1 and 2 of the Llangfni Link road were opened in March, 2017 and work on section 4 has commenced in June, 2017. Advanced works are due to commence on section 3 in October, 2017 and although terms have been agreed with the landowner, the purchase of the land necessary for this section has not been

completed due to a dispute between the directors of the company. A formal authority for a CPO is required to proceed which it is also hoped will prompt the landowners to come to an agreement.

It was resolved –

- **That the Council makes a Compulsory Purchase Order (CPO) under Section 239 of the Highways Act 1980 to acquire land required for Section 3 of the Llangefní Link Road as shown on the plan appended to the report.**
- **To delegate authority to the Head of Service (Highways, Waste and Property) to take all actions necessary to secure confirmation of the CPO.**

11. EXCLUSION OF PRESS AND PUBLIC

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 item 12 on the grounds that it involved the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test as presented.

12. SYRIAN REFUGEES

The report of the Head of Housing Services setting out the progress to date on delivering the Syrian Refugee Re-settlement scheme on Anglesey was presented for the Executive's consideration.

The Executive noted the position and welcomed the progress made hitherto.

It was resolved –

- **To note the progress made to date.**
- **To endorse the next steps which are to take up to 10 individuals over the next 12 months.**
- **To endorse the Officers' recommendation that the Council does not at present participate in the Unaccompanied Asylum Seeking Children National Transfer Scheme for the reasons outlined in the report.**

13. CHANGES TO THE CONSTITUTION

The report of the Head of Function (Council Business)/Monitoring Officer setting out proposed changes to the Constitution to accommodate two additional Executive posts was presented for the Executive's consideration. The Executive was informed that the changes were considered necessary to provide additional capacity and the maximum flexibility available to focus on particular areas of priority within the Council and that they reflect statutory provisions. Increasing the Executive's membership in the way proposed would be cost neutral based on the Deputy Leader and one Chairperson continuing to refuse the senior salaries to which their posts are eligible.

It was resolved –

To recommend that section 2.7.2 of the Constitution be amended to read as follows –

“The Executive will consist of the Leader together with at least 2, but no more than 9 other Councillors, to include the Deputy Leader all of whom shall be appointed to the Executive by the Leader.”

- **To recommend that the number of Executive posts eligible to receive a senior salary be increased with immediate effect, from 7 to 8.**
- **To agree in principle that the Council apply to the Independent Remuneration Panel for Wales (IRPW) for permission to extend the number of Members of the Isle of Anglesey County Council eligible to receive a senior salary, from the current cap of 15, up to a maximum of 16.**
- **Subject to the Council approving the final application, and the IRPW's permission being given, to authorise the appointment of a further Member of the Executive (making a total of 9), who will be eligible for a senior salary.**

- **To acknowledge that the appointment of two further Executive Members shall be cost neutral on the basis they be funded from savings achieved by the Deputy Leader and once Chairperson, both of whom will continue to refuse receipt of the senior salaries for which their posts are eligible.**

14. STRATEGIC LEADERSHIP PLAN FOR SCHOOLS

The report of the Head of Learning setting out the steps and resources required to implement a development plan to develop future school leaders on Anglesey was presented for the Executive's consideration and approval.

The Portfolio Member for Education reported that the proposals are based on the principles of the Schools Modernisation programme plan already adopted and they respond to the changes in the Schools Service Structure and the need to develop school leaders locally.

The Executive noted the proposals and sought clarification of the timeline for finalising and implementing the Development Plan/Programme as well as any financial commitments/costs beyond the first year which have been estimated at £56k.

The Head of Learning said that the Development Programme is not meant as a one-off course but is rather a rolling programme of development over time in which different forms of support can be tailored to the individual's needs both within and without the school. A number of individuals have already been identified to participate in the programme and preparatory support and professional development work has commenced. It is envisaged that the programme can be funded via the Small and Rural Initiative Schools Grant which the Welsh Government is yet to approve. Should it transpire that the Welsh Government's approval is not forthcoming it is possible that the Executive could then be asked to lend its support for funding for this programme in future. However, the Education Service is confident that the package for Future School Leaders complements the activities identified as the eligibility criteria for the grant.

It was resolved to approve a Development Plan for developing future school leaders to include the elements outlined in the report.

**Councillor Llinos Medi Huws
Chair**