

THE EXECUTIVE

Minutes of the meeting held on 25 November, 2019

- PRESENT:** Councillor Llinos Medi (Chair)
Councillor Ieuan Williams (Vice-Chair)
- Councillors R. Meirion Jones, Alun Mummery, R.G. Parry, OBE
FRAGS, Dafydd Rhys Thomas, Robin Williams
- IN ATTENDANCE:** Chief Executive
Deputy Chief Executive
Director of Function (Resources) & Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Education, Skills and Young People (for item 10)
Director of Social Services
Head of Democratic Services (for item 4)
Head of Profession (HR) and Transformation) (for item 5)
Programme, Business Planning and Performance Manager (for
item 5)
Principal Development Officer (Economic Development) (THJ)
(for item 11)
Committee Officer (ATH)
- APOLOGIES:** None
- ALSO PRESENT:** Councillors Glyn Haynes, Dylan Rees.
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1. DECLARATION OF INTEREST

No declaration of interest was received.

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

None to report.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting of the Executive held on 28 October, 2019 were presented for the Executive's approval.

It was resolved that the minutes of the previous meeting of the Executive held on 28 October, 2019 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 December, 2019 to July, 2020 was presented for consideration and the following changes were noted -

- **New Items**
 - Item 6 – Learning Disabilities – Transformation of Daytime Opportunities (Stage 1: Consent regarding the consultation process) (for the 27 January, 2019 meeting)
 - Item 27 – Learning Disabilities – Transformation of Daytime Opportunities (Stage 2: Report back on the outcome of engagement and transformation options) (for the 27 April, 2020 meeting)
- **Additional Meetings**
 - 13 January, 2020 - finalisation of initial draft 2020/21 budget proposals for consultation
 - 2 March, 2020 – Final 2020/21 Budget proposals for recommendation to the County Council along with other 2020/21 Budget related items.

The Executive noted that because of the slippage in the Welsh Government's timetable for announcing the 2020/21 provisional and final local government settlements the timeline for local authorities in Wales to draft, consult upon and set their 2020/21 budgets has become far more challenging. Consequently, because of the time constraints as well as the statutory deadline for councils to set and approve their budgets, the budget setting process this year will likely differ to that in previous years making it essential that the Council receives the information it needs to run its operations as from the new financial year in April, 2020 as soon as possible.

It was resolved to confirm the Executive's Forward Work Programme for the period December, 2019 to July, 2020 as presented.

5. SCORECARD MONITORING REPORT – QUARTER 2 2019/20

The report of the Head of Profession (Human Resources) and Transformation incorporating the Corporate Scorecard for Quarter 2 2019/20 was presented for the Executive's consideration.

The Portfolio Member for Corporate Business reported that since the Quarter 1 Scorecard report was considered by the Executive in September, 2019 further Public Accountability Measures (PAMs) have been published by Data Cymru specifically with regard to Waste Management. These confirm that the Authority in Anglesey again has the highest recycling rates in Wales, putting it amongst the world leaders in the volume of household waste which is recycled. The Portfolio Member referred to other highlights from the Quarter 2 report as follows -

- 85% of the performance indicators continue to perform above target or within 5% tolerance of their targets which compares favourably with the position at Quarter 2 2018/19. Five indicators are underperforming (ragged RED or AMBER on the Scorecard) in Housing, Children's and Planning Services – the report set out the reasons why aspects of these services are underperforming and outlines the improvement measures being taken to raise performance into the next quarter.
- Attendance at work levels are at their highest since Quarter 2 2017/18 and are ragged GREEN with performance of 3.96 days lost per FTE against a target of 4.48 days lost per FTE.
- The digital strategy has continued to see fruition during Quarter 2 with the number of registered users having more than doubled from the 5,000 seen at the end of Quarter 2 2018/19.

- In terms of financial management, based on Quarter 2 performance information, the Council is forecasted to overspend its revenue budget by £1.935m for the year-ending 31 March, 2020 due mainly to over expenditure in Adults' Services as a result of increasing demand which is both challenging to manage and difficult to predict. This is addressed in greater detail in the budget monitoring report.
- The report as a whole is very encouraging and reflects the Council's commitment to continuously improve its services and to achieve its objectives.

The Programme, Business Planning and Performance Manager concurred with the Portfolio Member's analysis and said that the Council through its performance management approach is able to demonstrate to the citizens of Anglesey that it is an achieving authority attested to in particular by the fact that over the course of the last three years it has been the best performing authority in Wales and in Britain for recycling.

Councillor Dylan Rees, Vice-Chair of the Corporate Scrutiny Committee reported on Scrutiny's discussion on the Q2 Corporate Scorecard from its meeting on 21 November, 2019 stating that the Committee had welcomed the results of the Public Accountability Measures by Data Cymru with regard to Waste Management noting that they again place Anglesey at the top of the recycling league in Wales and beyond; the Committee also welcomed the attendance at work figures for Quarter 2 ; the Committee had sought further analysis of the underperforming aspects in housing, children's and planning services and was assured that these are being addressed. The Committee had further noted that Adults' Service budgets are under significant pressure because of growing demand and it requested and was satisfied that the Finance Scrutiny Panel will continue to closely scrutinise financial performance in this area. Having considered all the information presented, the Committee had resolved to recommend that the Executive accepts the mitigation measures as outlined in the report in relation to aspects of performance in Housing, Children's and Planning Services and ongoing scrutiny of financial performance with emphasis and support for services under pressure.

The Executive in noting the information presented and the positive picture of performance which it portrayed expressed its appreciation of the day to day work and commitment of the Council's staff which underpinned the encouraging outcomes at Quarter 2. The Executive was grateful also to the residents of Anglesey for playing their part in helping the Authority maintain its best performing status for recycling.

It was resolved –

- **To accept the Corporate Scorecard for Quarter 2 2019/20 noting the areas which the Senior Leadership Team is managing to secure improvements into the future as summarised in the report and,**
- **To endorse the mitigation measures as outlined within the report.**

6. REVENUE BUDGET MONITORING QUARTER 2 2019/20

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Council's services at the end of Quarter 2 of the 2019/20 financial year was presented for the Executive's consideration.

The Portfolio Member for Finance reported that based on information to the end of Quarter 2, the overall projected financial position for 2019/20 including Corporate Finance and the Council Tax fund is an overspend of £1.935m which is 1.43% of the Council's net budget for 2019/20. Specific points to note include the following –

- That Quarter 2 figures indicate significant demand pressures within the first 2 quarters of the year in Adults' Services (details as at paragraphs 3.2.2 and 3.2.3 of the report). The service was £963k overspent for the period with the forecast outturn for the year as a whole being a predicted overspend of £1, 214k (4.82%) due largely to 20 new cases, 7 of which alone account for additional expenditure in the region of £700k with the total additional costs amounting to around £960k. It is therefore important to note how quickly escalating numbers and the type of acute and complex provision that are often linked to these cases can impact on Adults' Services' finances and the Council's wider budgetary position.
- That it has been highlighted that the Council is liable to pay holiday pay to supply staff based on the amount of time worked dating back to 2015 at an estimated cost of £94k plus on-costs. As this would put school budgets under further pressure, it is proposed that with the Executive's approval, these costs be funded from the General Reserve which has increased by £479k due to the return of 50% of core budget from schools previously provided by the Council for increased teachers' pensions costs which has since been met by Welsh Government through a grant award to the Council. 50% of the surplus funding is being retained by schools and 50% is being returned to the General Fund thereby providing more capacity in the General Reserve to fund these school related costs.

The Director of Function (Resources) and Section 151 Officer referred to Council Tax collection and the impact of the increased premium on long-term empty homes on the number of empty homes on the Island which in turn has reduced the income which the Council derives from the Council Tax premium as reflected in paragraph 5.1 of the report as owners of empty homes take steps to remove their liability by disposing of their properties. The effect is made clearer in the report under item 9 in relation to the Council Tax Base for 2020/21.

The Executive in noting the information presented noted also that although the decreasing number of empty/second homes may mean less income for the Council, the higher Council Tax premium on second and long-term empty homes is serving its prime purpose of bringing more empty homes back into use. The Executive further noted with regard to the projected overspend on the 2019/20 Revenue Budget that the financial pressures in Adults' Services need to be closely monitored.

It was resolved –

- **To note the position set out in appendices A and B in respect of the Authority's financial performance to date and expected outturn for 2019/20.**
- **To note the summary of contingency budgets for 2019/20 as detailed in Appendix C to the report.**
- **To note the position of the invest to save programme in Appendix CH.**
- **To note the position of the efficiency savings for 2019/20 outlined in Appendix D.**
- **To note the monitoring of agency and consultancy costs for 2019/20 set out in Appendices DD, E and F.**
- **To approve the use of the Schools' Pension Reserve to fund outstanding holiday pay entitlement for school supply staff dating back to December, 2015 at a current estimated cost of £94k plus on-costs which is estimated at £110k in total.**

7. CAPITAL BUDGET MONITORING – QUARTER 2 2019/20

The report of the Director of Function (Resources)/Section 151 Officer setting out the performance of the Capital Budget for the second quarter of the 2019/20 financial year was presented for the Executive's consideration.

The Portfolio Member for Finance reported that to the end of the second quarter, for the general fund actual expenditure amounts to 120% of the profiled budget although only 22% of the annual budget has been spent to date. This is in keeping with the usual pattern whereby a number of the capital schemes are weighted towards the latter part of the financial year. Some capital schemes are well underway with the majority of the profiled budget for Quarter 2 being spent whilst others whose budget is profiled towards the latter part of the financial year have yet to commence. A number of schemes are funded through capital grants in 2019/20 and the report provides an update on the status of those schemes. Additional funding obligations for which the Executive's approval is sought include the following –

- The final account for the Market Hall renovations has been agreed with the contractor and has resulted in an additional funding requirement from the Council of £75k which would be funded from capital receipts.
- The Pentraeth Flood Alleviation Scheme will require the Council to provide extra match funding of £20k (total match funding of £50k instead of £30k) to be funded from capital receipts.
- The Council has succeeded in securing a £40k grant from Places for Sport to upgrade the fitness equipment at Plas Arthur Leisure Centre. The total cost of the scheme is £130k with the remaining £90k to be met by the Council which it is proposed be funded through unsupported borrowing.
- The Council has also succeeded in securing a £72k grant from the Collaboration Fund to convert the tennis court at the David Hughes Leisure Centre into a 3G pitch. The total cost of the scheme is £80k with the Council needing to provide £8k of match funding which will be met from capital receipts.

It was resolved –

- **To note the progress of expenditure and receipts against the capital budget at Quarter 2 2019/20.**
- **To approve the allocation of an extra £75,000 towards the Market Hall capital scheme as per paragraph 3.1.1 of the report.**
- **To approve £90,000 of unsupported borrowing to upgrade the fitness equipment in Plas Arthur Leisure Centre as per paragraph 3.3.1 of the report.**
- **To approve £20,000 of additional match funding for the Pentraeth Flood Alleviation scheme as per paragraph 3.1.2 of the report.**
- **To approve £8,000 of additional match funding towards the 3G pitch at David Hughes Leisure Centre, as per paragraph 3.3.2 of the report.**

8. HRA BUDGET MONITORING – QUARTER 2 2019/20

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Housing Revenue Account (HRA) Budget for Quarter 2 2019/20 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the revenue financial position for Quarter 2 shows an overspend of £71k. The income forecast remains £75k better than the original budget and expenditure is now forecast to be £75k better than the original budget (details

provided in Appendix A). Capital expenditure is £1.791k below the profiled budget. The forecast expenditure is £190k higher than the budget (details provided in Appendix B). The forecast deficit (combining both revenue and capital) is £40k higher than the budget (compared to £67k in the Q1 report) which is the result of higher than budgeted capital expenditure.

It was resolved to note the following –

- **The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for Quarter 2 2019/20.**
- **The forecast outturn for 2019/20.**

9. THE COUNCIL TAX BASE FOR 2020/21

The report of the Director of Function (Resources)/Section 151 Officer in relation to the calculation of the tax base for 2020/21 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the total base for 2020/21 for the purpose of tax setting is 31,532.53. This compares with 31,571.46 for 2019/20 and is a decrease of 0.12%. This is as a result of a number of factors including the following –

- Additional single person discounts and additional discounts and exemptions for severe mental health impairment. In the case of the latter if the severe mental health impairment exemption applies in a household consisting of a couple, only one person is then liable to pay Council Tax and in those circumstances the single person discount also applies.
- A reduction in the region of 130 in the number of long-term empty dwellings subject to the premium which is a reflection of the effectiveness of the premium in meeting its objective of bringing empty homes back into use. There are approximately 40 new long term empty properties but these are not currently subject to the premium.
- The transfer of domestic properties/second homes from the Council Tax base to business rates use where it can be shown that the properties are commercially let for 70 days in a 12 month period. Although this is not especially a problem in Anglesey compared to some other authorities in North Wales, it is felt that Welsh Government should consider taking steps to close the legal loophole that makes this possible.

The Director of Function (Resources)/Section 151 Officer highlighted that the figures for the Council Tax base for 2020/21 have been forwarded to Welsh Government where they will be used in calculating the Revenue Support Grant for 2020/21 (excluding adjustments for premiums and for 2020/21 onwards, the discounts granted by some authorities – but not Anglesey - in relation to classes of dwellings A, B and C) and will be reflected in the initial provisional settlement meaning there is likely to be less variance between the initial and final settlements.

The Executive noted the information and queried whether in cases where properties have transferred to business rates use there are arrangements for monitoring and verifying their continued compliance with the qualifying criteria for business rates use.

The Director of Function (Resources)/Section 151 Officer clarified that this is a matter for the Valuation Office Agency; the question of the Agency's capacity to carry out ongoing monitoring to ensure compliance has been raised previously. Gwynedd Council has been leading on putting the case to Welsh Government for increasing resources for the Valuation Office Agency to enable it to undertake this function; Anglesey is in contact with Gwynedd Council on the progress of those discussions.

It was resolved –

- To note the calculation of the Council Tax Base by the Director of Function (Resources) and Section 151 Officer – this will be used by the Welsh Government in the calculation of the Revenue Support Grant for the Isle of Anglesey County Council for the 2020/21 financial year, being 30,927.17 (Part E6 of Appendix A to the report).
- To approve the calculation by the Director of Function (Resources) and Section 151 Officer for the purpose of setting the Council Tax Base for the whole and parts of the area for the year 2020/21 (Part E5 of Appendix A to the report)
- That, 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 Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016, the amounts calculated by the Isle of Anglesey County Council as its tax base for the year 2020/21 shall be 31,532.53 and for the parts of the area listed in table 3 of the report shall be as set out therein.

10. FEDERALISATION OF YSGOL GORONWY OWEN AND YSGOL MOELFRE

The report of the Director of Education, Skills and Young People which sought the Executive's confirmation of the proposal to federalise Ysgol Goronwy Owen and Ysgol Moelfre was presented.

The Director of Education, Skills and Young People reported that following Executive approval, and in accordance with legislative requirements, a statutory notice of the proposal to federalise Ysgol Goronwy Owen and Ysgol Moelfre was issued on 30 September, 2019 following which a statutory objection period of 28 days was held with regard to the proposal. As with the earlier statutory consultation, no objections were received during this period and it is therefore recommended that the proposal to federalise the two schools be conclusively confirmed.

It was resolved to conclusively confirm the proposal to federalise Ysgol Goronwy Owen and Ysgol Moelfre.

11. WELSH GOVERNMENT ECONOMIC STIMULUS

The report of the Deputy Chief Executive outlining proposals to utilise Welsh Government economic stimulus funding was presented for the Executive's consideration.

The Portfolio Member for Major Projects and Economic Development reported that the Welsh Government has offered £491,330 to the County Council in a letter dated August 2019 conditional upon the funding being used to invest in capital schemes to drive important changes within communities; to fund a range of projects that can be delivered in year providing economic benefits which are aligned with the Welsh Government's priorities and provided also that the funding is invested in a way that considers how any positive impact on biodiversity and the environment can be delivered. Crucially, the funding has to be spent and claimed in full by 31 March, 2020. A number of potential projects that could benefit from this funding were considered with the short time span for delivery being a crucial factor in considering the feasibility of projects.

The Portfolio Member said that the Senior Leadership team endorsed two projects – (1) to redevelop land behind Peboc (outlined in Annexe A) and (2) to progress the demolition of the former Ysgol y Parc and library in Holyhead (outlined in Annexe B). It is recognised that the funding received whilst substantial, will not allow the Council to complete both activities

so the Council will match fund the grant to ensure both are delivered, maximising outputs. Should both of the two priority schemes not be deliverable, then the Council would also look to purchase land in strategic locations around the Island which could be developed in the future or progress alternative projects which contribute to economic development objectives. These alternative options would be at the discretion of the Deputy Chief Executive and the Portfolio Member.

The Deputy Chief Executive highlighted that the preparatory work on projects to ensure they are ready to go when funding becomes available has been done within current resources which has entailed additional work for the Economic Regeneration Team. Notwithstanding, the Council is grateful to Welsh Government for the additional funding which is always welcome and it will be made the most of - the hope being that funding spent in this way will attract private sector development or further grants to build on the land concerned. Whilst there were a number of other worthy projects that justified the expenditure, the time limitation was a significant factor and the deliverability of the two projects was therefore a major driver in their endorsement.

Whilst thankful to the Welsh Government for the grant the Executive noted that it would have been helpful had more notice of the additional funding been given and more time allowed for the delivery of projects which would also have enabled the Council to think more strategically about potentially eligible schemes and to ensure the best possible use of the money. The Executive acknowledged the work undertaken by the Economic Regeneration Team in getting the projects ready with limited capacity in a short time frame.

In response to a query about whether consideration had been given to including the adjacent Police station site within the scheme for the former Ysgol y Parc and Library site in Holyhead the Deputy Chief Executive confirmed that the Authority has been in contact with the Police in order to ensure there is mutual understanding and as much joint planning as possible; whilst the North Wales Police has its own capital programme and spending targets it does make sense to look at the site in its entirety as a site in public sector ownership.

It was resolved –

- **To note the capital funding offer of £491,330 for 2019/20.**
- **To endorse the land to the rear of Peboc and the former Ysgol y Parc projects as the priority schemes.**
- **That if it is necessary to utilise some or all of the grant as part of the funding for the demolition of the former Ysgol y Parc and Holyhead Library, then an equivalent sum of capital receipt may be used in 2020/21 to complete the redevelopment of the land at the rear of Peboc (should that scheme have commenced in 2019/20).**
- **To delegate to the Deputy Chief Executive and the relevant Portfolio Holder the authority to progress the two projects through to implementation stage and to agree to deliver other eligible capital schemes if not all the funding is utilised on the two priority projects.**

**Councillor Llinos Medi
Chair**