

## THE EXECUTIVE

### Minutes of the extraordinary meeting held on 2 March, 2020

<b>PRESENT:</b>	Councillor Llinos Medi (Chair) Councillor Ieuan Williams (Vice-Chair)  Councillors Richard Dew, Carwyn Jones, R. Meirion Jones, Alun Mummery, R.G. Parry, OBE FRAGS, Dafydd Rhys Thomas, Robin Williams.
<b>IN ATTENDANCE:</b>	Chief Executive Director of Function (Resources) & Section 151 Officer Director of Function (Council Business)/Monitoring Officer Director of Social Services (for items 9,10,11) Head of Democratic Services Committee Officer (ATH)
<b>APOLOGIES:</b>	None
<b>ALSO PRESENT:</b>	Councillors Glyn Haynes, Richard Owain Jones, Nicola Roberts

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#### 1. DECLARATION OF INTEREST

No declaration of interest was made at this point.

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

None to report.

#### 3. REVENUE BUDGET MONITORING – QUARTER 3 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 3 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 3 the overall projected financial position for 2019/20, including Corporate Finance and the Council Tax is an overspend of £1.246m or 0.92% of the Council's net budget for 2019/20. This is due to similar pressures experienced in 2018/19 which have been reported upon in budget updates throughout the current financial year, the most significant of which are the costs of Adults' Services and School Transport. The pressures in these service areas need to be addressed in the Budget for 2020/21.

The Director of Function (Resources)/Section 151 Officer advised that a projected overspend of £1.246m is a matter of concern since it will have to be met from the Council's General Reserves Fund which it is anticipated will further deplete the reserves to a level under £5m by the end of the financial year. This is well below the minimum balance of the general reserve which has been set at £6.7m as approved by Full Council on 27 February, 2019. An increase over the year in the number of clients requiring high cost provision has

put pressure on Adults Social Care budgets – it is planned that these pressures are recognised in the 2020/21 Budget.

The Executive in noting the information inquired whether the overspend is a case of the service spending more than its core budget or whether it is a case of not enough resources being allocated to meet demand when the core budget is being set. The Executive sought further clarification of whether it is possible to more accurately forecast demand which would take the pressure off budget planning.

The Director of Social Services clarified that whilst it is not possible to predict each and every high cost case, the Service is aiming to put in place a 3 year plan which will cover all areas from Learning Disability to Mental Health and which will set out the steps that can be taken to project the likely number of referrals and to manage the costs as those referrals come in. This will enable the Service to consider the challenges in terms of funding, commissioning and collaborating with the Health Board to establish how best to manage demand down as much as possible within the overall requirement to meet people's needs. The Service will never be in a position to be able to predict demand 100% accurately as some individuals deteriorate rapidly thereby requiring more intensive provision whilst there will always be individuals coming to the Island some of whom will need support.

The Portfolio Member for Finance highlighted that the additional funding of £1.4m provided in the 2019/20 Budget to support Children's Services which last year were in a similar position of overspend has contributed to a significant improvement in that Service's budgetary position in 2019/20. However, due to the difficulty in predicting demand, the situation in Adults' and Children's Social Care is fluid. An ageing population and increasing demand mean that a national strategy is ideally required to resolve the funding issues in Adults' Social Care otherwise councils will continue to find themselves spending time "firefighting" instead of planning ahead.

**It was resolved to note the following –**

- **The position set out in appendices A and B in respect of the Authority's financial performance and expected outturn for 2019/20.**
- **The summary of contingency budgets for 2019/20 as detailed in Appendix C to the report.**
- **The position of the invest to save programmes in Appendix CH to the report.**
- **The position of the efficiency savings for 2019/20 in Appendix D to the report.**
- **The monitoring of agency and consultancy costs for 2019/20 in Appendices DD, E and F of the report.**

#### **4. CAPITAL BUDGET MONITORING – QUARTER 3 2019/20**

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Capital Budget at the end of Quarter 3 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 third quarter, for the general fund actual expenditure amounts to 88% of the profiled budget, however only 39% of the annual budget has been spent to date the reason being that a number of the capital schemes are weighted towards the latter part of the financial year. The Portfolio Member confirmed that no funding will be lost but will rather slip into 2020/21.

The Director of Function (Resources)/Section 151 Officer advised that although the underspend of £13.492m against a budget of £42.392m appears high, it involves only a few schemes. The Council has been utilising the ICF grant instead of core funding for disabled

facilities/adaptations leading to an underspend of £0.450m on the core budget. Notwithstanding work has now commenced on the Gypsies and Travellers temporary stopping place in Star, Gaerwen, there was an initial delay and the scheme will carry forwards into the next financial year. The Housing Revenue Account has spent 73% of its profiled budget and 54% of the annual budget and whilst there has been some delay with purchasing, refurbishing and building new houses, it is anticipated that 19 additional units will come into use in the next few months. The final Band A scheme under the 21<sup>st</sup> Century Schools' Modernisation Programme in relation to the school provision in the Llangefni area is currently out to re-consultation after the original decisions were rescinded and this delay accounts for approximately £5m capital underspend. The Holyhead Strategic Infrastructure project and the Tourism Gateway project have experienced delay pending clarification of the details of the grant process - both projects are now underway. Likewise the Red Wharf Bay flood defence scheme has been delayed pending resolution of the design details and will not go ahead this year. Where there has been slippage some of those schemes are now underway and others will commence next year which will be reflected in the 2020/21 Capital Programme.

**It was resolved to note the progress of expenditure and receipts against the capital budget at Quarter 3 2019/20.**

## **5. HOUSING REVENUE ACCOUNT BUDGET MONITORING – QUARTER 3 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 3 2019/20 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the revenue financial position of the HRA for Quarter 3 shows an overspend of £220k. The forecast for income is now £146k below the original budget and expenditure is now forecast to be £75k above the original budget. The capital expenditure is £2,896k below the profiled budget. The forecast expenditure is £3,117k below budget. The forecast deficit (combining both revenue and capital) is £2,896k less than the budget (producing a surplus of £789k), compared £40k higher for Quarter 2, largely the result of lower than budgeted capital expenditure.

The Director of Function (Resources)/Section 151 Officer advised that the HRA's expected end of year reserve balance of £9,176k will be used to contribute towards funding new housing developments and the resulting change in the balance will be reflected in the HRA Business Plan to be submitted to Welsh Government.

**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 3 2019/20.**
- **The forecast outturn for 2019/20.**

## **6. USE OF RESERVES AND BALANCES**

The report of the Director of Function (Resources)/Section 151 Officer on the use of reserves and balances was presented for the Executive's consideration. The report sets out the Section 151 Officer's assessment on the level of general balances and reserves for 2020/21 along with recommendations as to the allocation of general balances for use during 2020/21.

The Portfolio Member for Finance reported that as at 31 March, 2019 the level of general balances stood at £5.192m, a decrease of £987k on the previous year. Although there is no hard and fast rule as to the level of general balances that a Council should maintain, a rule of thumb exists which indicates that the level of general balances should be 5% of the net revenue budget which for the Isle of Anglesey County Council for 2020/21 is £7.1m. The current projection is that the Revenue Budget will overspend by £1.24m in 2019/20 which will need to be funded from the general reserves. In addition, £425k will be moved to a service reserve if approved by the Executive following the adoption of a new approach which will allow services to transfer unspent funds (where the underspending is on controllable budgets which are non-demand led) into a service reserve to help manage future pressures or fund future projects where no budget provision exists. Taking all these into consideration, it is estimated that the level of general balances will fall to approximately £4.6m at 31 March, 2020. The Council also holds a number of earmarked reserves for specific purposes as listed in section 4.1 of the report – the Portfolio Member said that he had asked the Section 151 Officer to review the earmarked reserves to establish whether some can be released or transferred to the general fund balance.

The Portfolio Member added that realistically given the current financial circumstances, it is not possible to budget for a budget surplus in order to bring the general reserves balance back to a minimum level and the increase in general reserve must be done more gradually over a period of 3 to 5 years.

The Director of Function (Resources)/Section 151 Officer advised that the Wales Audit Office has undertaken a study on the financial resilience of each of Wales's 22 local authorities and in initial feedback to the Council in Anglesey ahead of the publication of the formal report, has highlighted the Council's reducing reserves as a financial risk to the Council which will need to be addressed over the course of the next few years. The Officer confirmed that an initial review of the earmarked reserves has identified two reserves that can be transferred back into the general reserve fund. Whilst Anglesey's school balances reserve has historically been high compared to that of schools in the rest of Wales, it has reduced significantly over recent years and at 31 March, 2019 school balances stood at £0.631m. It is highly likely that the remaining balance on this reserve will have reduced again during the 2019/20 financial year although this will only be confirmed on the closure of the 2019/20 accounts following which a further report will be presented to the Executive around July, 2020.

**It was resolved –**

- **To note the general policy on reserves and balances adopted on 1 March, 2016 as set out in Appendix A to the report.**
- **To approve the amendments to the general policy on reserves and balances adopted on 1 March, 2016 in Appendix A.**
- **To set the minimum level of general balances for 2020/21 as £7.11m in accordance with the Section 151 Officer's assessment.**
- **To plan for an increase in general balances over a 3 to 5 year period in order that the actual level of reserves reaches the minimum level. This increase will be achieved by budgeting for planned annual surpluses.**
- **To confirm the continuation of the existing earmarked reserves.**
- **To approve the transfer of both Foster Carer Mortgage and Policy Management System reserves from the earmarked reserves to the General Reserves.**

## **7. TREASURY MANAGEMENT STRATEGY STATEMENT 2020/21**

The report of the Director of Function (Resources)/Section 151 Officer incorporating the Treasury Management Strategy Statement for 2020/21 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the report is presented to ensure that the Council is implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management and he confirmed that in terms of updates to the Treasury Management Strategy Statement there are no proposed amendments to the core principles and policies of the 2019/20 Statement.

The Director of Function (Resources)/Section 151 Officer advised that the Statement has been scrutinised by the Audit and Governance Committee at its February, 2020 meeting where it was accepted without further comment. In summary there is no change in the Council's approach to borrowing meaning that it will only borrow where necessary, and where feasible it will borrow internally i.e. it will use the cash it holds. The Council will not borrow more than or in advance of its needs solely to profit from the investment of the extra sums borrowed. As regards investment, the TM Strategy continues to advocate a cautious approach based on ensuring the security of investments as a primary consideration hence the Council will only invest with highly creditworthy counterparties including with other local authorities over the short-term as they are seen as low-risk investment. Early repayment of debt is unlikely since the penalties for early settlement are higher than the savings made on interest payments. However, it is foreseen that the Council's borrowing requirement will increase over the next few years to meet the needs of the schools' modernisation programme and also in order to fund Housing Revenue Account expenditure.

**It was resolved to accept and note the Treasury Management Strategy Statement for 2020/21 and to forward the Statement to Full Council without further comment.**

## **8. TREASURY MANAGEMENT PRACTICES (TMPS)**

The report of the Director of Function (Resources)/Section 151 Officer incorporating the Council's revised Treasury Management Practices was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the report is presented to ensure that the Council is implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management. The Code recommends that the Council documents its treasury management procedures as Treasury Management Practices.

The Director of Function (Resources)/Section 151 Officer advised that the treasury Management Practices as documented show how the Council manages and controls its treasury activities. The current TMPs were completed and approved in 2016. They have been reviewed and updated and include a section (TMP13) on non-treasury investments held by the Council, as required by the revised CIPFA Code. The Council's non-treasury management investments are the investment properties which are managed by the Property Service and which generate additional rental income for the Council at a time when Government funding is reducing. They comprise of retail properties, office units and commercial units with the latter making up the significant share of the portfolio. The Treasury Management Practices were scrutinised and were endorsed by the Audit and Governance Committee at its meeting on 11 February, 2020.

**It was resolved –**

- **To note the content of the covering report.**

- To endorse the revised Treasury Management Practices (TMPs) included in Appendix 1 to the report and to recommend the TMPs to the Full Council at its meeting on 10 March, 2020.

## **9. COMMUNITY BASED NON-RESIDENTIAL SOCIAL CARE SERVICES – 2020/2021 FEES AND CHARGES**

The report of the Director of Social Services seeking the Executive's approval for proposed fees and charges for community based non-residential social care services for 2020/21 was presented for consideration.

The Chair and Portfolio Member for Social Services reported that it is usual practice to review the charges in respect of domiciliary services annually to coincide with Central Government's revision of benefit and pension levels. The report sets out proposed community based non-residential social care fees and charges for 2020/21 in accordance with the Social Services and Well-Being (Wales) Act 2014.

**It was resolved to approve the following –**

- The Home Care charges outlined in Table 1 of the report.
- The charges for Telecare Services as outlined in Table 4 of the report

**Tier 1 everyone will be paying £47.97**

**Tier 2 and 3 everyone will be paying £95.55**

- The Telecare Annual Charges as outlined in Table 5 of the report

**Services and Maintenance £114.12**

**Services only £73.76**

**One off installation £45.63**

- A rate for Direct Payments of £11.65/hour
- To maintain a charge of £10 for the administration of Blue Badge requests and replacements as outlined.
- To increase the fee for purchasing day care services in independent residential homes by 3% to £34.18

## **10. LOCAL AUTHORITY HOMES FOR OLDER PEOPLE – SETTING THE STANDARD CHARGE**

The report of the Director of Social Services seeking the Executive's approval to set the level of the Authority's Standard Charge for local authority care homes for the year April, 2020 to March, 2021 was presented for consideration.

The Chair and Portfolio Member for Social Services presented the report outlining the basis on which the standard charge is calculated and highlighting that as in previous years, the cost of all the homes has been pooled to calculate an average standard charge for the homes in accordance with national guidance. However, in calculating the Standard Charge for 2020/21 Garreglwyd has again been omitted from the calculation as the home has been re-modelled and now provides a specialist service. Based on the calculations and taking account of inflation the estimated cost per resident week for the year to 31 March, 2021 is £760.38.

The Director of Social Services confirmed that the charge that is being proposed reflects the Executive's decision that fees be increased in line with the actual cost of provision gradually over a 3 year period thereby avoiding the impact which a significant fee rise i.e. from £664.11 in 2019/20 to £760.38 for 2020/21 would entail for residents.

**It was resolved –**

- **That whilst the Council acknowledges the costs incurred within residential care, the actual cost of delivery is not fully reflected in the charge to residents.**
- **That in line with the savings proposal made to remove the subsidy given to self-funders between 2019-20 and 2021-22, the increase for those contributing towards the cost of care is set at 3% plus each user's share of the reduction in the subsidy given to self-funders.**
- **That the fee for 2020-21 be therefore set at £722.21 ( $\text{£664.11} + 3\% + (\frac{1}{2} \times \text{£76.35})$ )**

## **11. INDEPENDENT SECTOR CARE HOME FEES FOR 2020/21**

The report of the Director of Social Services seeking the Executive's approval for proposed independent sector care home fees for 2020/21 was presented for consideration.

The Chair and Portfolio Member for Social Services presented the report and recommendations therein to the Executive stating that the Local Authority is required to review independent sector care home fees annually to coincide with Central Government's changes to benefits and pension levels.

The Director of Social Services advised that in setting levels for independent sector care homes, the Council needs to show that it has fully considered the costs of the provision in determining its standard care fees. This is done in collaboration with the other Authorities in North Wales and the Health Board by utilising a Regional Fee Methodology as done in previous years. The Authority will continue to use this model for 2020/21 which has reflected legislation changes in terms of pensions, national living wage and inflation. As part of fee setting for 2020/21, Ynys Môn consulted on the North Wales fees methodology and no feedback was received. Following discussion with the Section 151 Officer, the Authority is proposing to use the Regional methodology for EMI Residential; and Basic Nursing Care Social Care element. The Service is recommending an increase in ROI on Nursing EMI placements of 12% in recognition of the pressures in this area and in line with fees offered by nearby local authorities. Consistent with the strategic direction the Council is taking in developing alternatives to residential care in the form of Extra Care Housing and care at home, and having due regard to the affordability of the increase proposed for residential care homes, it is proposed to set a rate for residential (Adults) care based on a lower return of investment of 9%. The Ynys Môn proposed fees for 2020/21 are set out in Table 2 of the report.

The Officer clarified also that it may be necessary to consider individual submissions from providers regarding the fees proposed. Exceptions to the fee rates will be considered if there is clear evidence to indicate that the fee set is not sufficient in any individual case.

**It was resolved –**

- **To acknowledge the North Wales Fee Methodology as implemented hitherto by the Authorities in North Wales as a basis for setting fees in Ynys Môn during 2020/21 (Appendix 1 to the report).**
- **To approve the recommendation to increase the fee level as set out in Table 2 of the report.**

- **In line with other authorities, to authorise the Social Services and Finance Departments to respond to any request from Homes to explore their specific accounts and to utilise the exercise as a basis to consider any exceptions to the agreed fees. Any exceptions to be agreed with the Portfolio Holder, the Director of Function (Resources) and the Director of Social Services from within current budgets. If no agreement can be made, the matter will be referred back to the Executive.**

## **12. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2020/21**

The report of the Director of Function (Resources)/Section 151 Officer seeking the Executive's views on the Council's Revenue Budget and resulting Council Tax for 2020/21; the updated Medium Term Financial Strategy and the use of one off funds to support the budget was presented.

*The Portfolio Member for Finance at this point declared a personal but not prejudicial interest in respect of the Council Tax Premium.*

The Portfolio Member for Finance reported that whilst the Council welcomes the additional funding made available as part of the 2020/21 revenue settlement, the financial outlook remains challenging. It is also difficult to comprehend how the funding formula is applied given that it has led to noticeable variations in the increases which the councils in Wales have received. As it is, Anglesey's settlement has increased by 3.8%. In referring to the public consultation on the draft revenue budget proposals which was not as extensive this year due to the shortened timescale, the Portfolio Member said that although there was a majority in favour of investing in Adults' Services in response to the increase in demand; in protecting school budgets and in implementing the proposed savings, there was less support for a Council Tax increase of between 4.5% and 5% with 69.88% of respondents opposing such an increase. The Portfolio Member said that the Authority is legally bound to balance its budget.

The Director of Function (Resources)/Section 151 Officer advised that the final funding settlement confirmed on 25 February, 2020 was unchanged from the provisional settlement of £101.005m for Anglesey announced in December, 2019 which was reported to the Executive at its 13 January, 2020 meeting but was accompanied by additional information which sought to clarify the difference in settlement increases between authorities. After taking into account the final settlement figure, the revised standstill budget requirement of £142.175m would require £41.172m in Council Tax funding equivalent to a 4.58% increase in the level of Council Tax.

The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years meaning there are therefore a number of financial risks inherent in the proposed budget. These are highlighted in section 5 of the report with the main risks being the staff pay award and the demand for services. The teachers' pay award up to September, 2020 has been agreed and the required sum included in the budget proposal. However, the pay award for the period September 2021 onwards has not and although a 2% increase has been allowed for, it may not be sufficient. A greater risk is posed by the non-teaching pay award effective from 1 April, 2020 which has not been agreed. The Employers have offered a 2% increase but the Unions are seeking a 10% increase. Additional funding has been included in the budget to cover a 2% pay rise. Each 1% above this rate increases the annual cost by approximately £450k. The other major risk is around demand in particular in Adults' Services, Children's Services and additional special education services. The standstill budget for 2020/21 has taken into account the increased



demand experienced during 2019/20 but any further increases would be unfunded and would increase the risk of further overspending in 2020/21.

Normally in setting the budget, the Medium Term Financial Plan would also be updated; however, given the uncertainty surrounding future funding, any update at this point would be speculative at best and could misrepresent the true position that will materialise. The situation is expected to become clearer over the coming months and the Executive will receive an update on the Council's financial position in September, 2020.

Councillor Richard Owain Jones, Vice-Chair of the meeting of the Corporate Scrutiny Committee held on 27 February, 2020 reported on the Committee's deliberations at the meeting. The Committee had discussed the 2020/21 final Revenue Budget proposals taking into consideration the feedback from the public consultation and a detailed verbal presentation given by the Director of Function (Resources)/Section 151 Officer on the budget options and how they might impact on the level of Council Tax increase. In noting the final funding settlement which was positive, the Committee had nevertheless expressed its disappointment that Welsh Government had not set a funding floor which would have meant that no council would have had a settlement increase of less than 4% (Anglesey's increase being 3.8%). The Committee was supportive of the proposed additional investment in Adults' Services to meet increase demand and of protecting schools' budgets by not implementing the £800k reduction in the schools' delegated budget deferred from 2019/20. The Committee also endorsed implementing the identified savings proposals apart from the increase in town centre car park fees (which it felt could be counterproductive in economic terms) but did favour abolishing the 50p tariff. The Committee acknowledged the risks to the 2020/21 Budget especially in relation to the staff pay award and service demand and on that basis it recommended a 5% increase in Council Tax.

The Executive considered the information presented and the report from Scrutiny. The Portfolio Member for Finance said that having been party to Scrutiny's discussions at its 27 February meeting he was prepared to accept Scrutiny's recommendations with regard to not increasing town centre car park charges and abolishing the 50p tariff but could not support a Council Tax increase of 5% which he believed would be too much to ask of Anglesey's residents especially after last year's Council Tax increase of 9.5%. He therefore proposed a net revenue budget of £142.146m for 2020/21 and a Council Tax increase of 4.5% which raises the Band Council Tax by £56.16 to £1,304.73. In endorsing the proposal the Executive further noted that it would be helpful were the Welsh Government, Unions and Employers to conduct pay negotiations in advance of budget setting so that councils are informed by the end of January each year about the level of the pay award and can budget for the increase with some certainty thereby eliminating the risk to the budget that an undetermined pay award poses. It was also suggested that in view of the legal requirement on councils to balance their budgets, Welsh Government should be asked to consider funding additional commitments/cost pressures that fall to councils which they have not been able to influence.

#### **It was resolved –**

- **To note the formal consultation meetings on the budget and the resulting feedback as outlined in Section 2 of Appendix 1 and in Appendix 2 to the report.**
- **To agree the final details of the Council's proposed budget including the revised funding in response to budget pressures and the proposed savings as shown in Section 8 of Appendix 1 and in Appendix 3 with the exception of increasing car park fees for town sites which shall remain unchanged apart from the 50p rate which shall be abolished making £1 the minimum payment.**
- **To note the Section 151 Officer's recommendation that the Council should be working towards achieving a minimum of £7.1m general balances.**

- To note the comments made by the Section 151 Officer on the robustness of the estimates made as set out in section 6 of Appendix 1.
- To recommend a net budget for the County Council of £142.146m and resulting increase in the level of Council Tax of 4.5% (£56.16 – 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 10 March, 2020.
- To authorise the Section 151 Officer to make such changes as may be necessary before the submission of the final proposals to the Council.
- 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 remains at 35% and for empty homes remains at 100%.

### **13. CAPITAL STRATEGY AND CAPITAL PROGRAMME 2020/21 TO 2022/23**

The report of the Director of Function (Resources)/Section 151 Officer incorporating the Capital Strategy and Capital Programme for 2020/21 to 2022/23 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the revised CIPFA Prudential Code, September 2017 introduces the requirement that all authorities must produce a capital strategy which sets 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, sustainability and affordability.

The Director of Function (Resources)/Section 151 Officer advised that the document as presented updates the Capital Strategy approved in 2019 for the period 2019/20 to 2021/22 and reiterates the objectives and principles that form the basis of the capital programme including investing annually in improving and/or replacing existing assets; making capital provision for disabled facilities grants; funding a level of road improvement each year and also reaffirming the Council's commitment to the 21<sup>st</sup> Century Schools Programme. The Strategy also sets out the capital resources available to the Council over the stated period, how these will be used and the constraints/risks that could impact on its delivery. The Capital Strategy is one of the key strategic documents which align with the Council Plan; the Strategy is also integrated with the Treasury Management Statement and the Medium Term Financial Plan.

**It was resolved to recommend the Capital Strategy for 2020/21 to 2022/23 for the Full Council's approval.**

### **14. FINAL PROPOSED CAPITAL BUDGET 2020/21**

The report of the Director of Function (Resources)/Section 11 Officer incorporating the final proposed capital budget for 2020/21 to be presented to Full Council on 10 March, 2020 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the proposed capital budget of £37.305m represents a capital investment in the future of Anglesey and should be seen as such. As with the revenue budget the draft capital budget for 2020/21 was the subject of public consultation and the small number of comments received are reflected in the report.

The Director of Function (Resources)/Section 151 Officer advised that apart from updating the figures for the slippages from 2019/20, the final proposed capital budget for 2020/21 is unchanged from the provisional draft presented to the Executive in January, 2020.

Councillor Richard Owain Jones reported from the meeting of the Corporate Scrutiny Committee held on 27 February and confirmed that having considered the information presented at the meeting with regard to the Capital Budget for 2020/21 including the outcome of the public consultation and confirmation by the Director of Function (Resources)/Section 151 Officer of there being no change from the provisional capital budget position apart from having to update the figures for slippage from 2019/20, the Committee had resolved to reaffirm its recommendation of the provisional capital budget as presented to the Committee on 13 January updated for slippage.

**It was resolved to recommend the following Capital Programme for 2020/21 to the Full Council –**

	£
<b>2019/20 Schemes Brought Forward</b>	<b>5,829</b>
<b>Refurbishment/Replacement of Assets</b>	<b>6,192</b>
<b>New One Off Capital Projects</b>	<b>2,174</b>
<b>Smallholdings funded from capital receipts</b>	<b>100</b>
<b>21<sup>st</sup> Century Schools</b>	<b>2,755</b>
<b>Housing Revenue Account</b>	<b>20,255</b>
<b>Total Recommended Capital Programme 2020/21</b>	<b>37,305</b>

**Funded By:**

<b>General Capital Grant</b>	<b>2,165</b>
<b>Supported Borrowing General</b>	<b>2,364</b>
<b>Supported Borrowing 2019/20 brought forward</b>	<b>1,034</b>
<b>Capital Receipts</b>	<b>245</b>
<b>Capital Reserve</b>	<b>500</b>
<b>21<sup>st</sup> Century Schools Supported Borrowing</b>	<b>721</b>
<b>21<sup>st</sup> Century Schools Unsupported Borrowing</b>	<b>1,145</b>
<b>HRA Reserve &amp; In Year Surplus</b>	<b>14,228</b>
<b>HRA Unsupported Borrowing</b>	<b>250</b>
<b>HRA brought forward from 2019/20</b>	<b>3,117</b>
<b>External grants</b>	<b>5,782</b>
<b>2019/20 Council Funding Brought Forward</b>	<b>5,754</b>

<b>2020/21 Total Capital Funding</b>	<b>37,305</b>
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*The Chair and Portfolio Member for Finance on behalf of the Executive thanked the staff of the Council's Finance Service for all their work on the reports to this meeting.*

**Councillor Llinos Medi  
Chair**

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