

## ISLE OF ANGLESEY COUNTY COUNCIL

<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>19 FEBRUARY 2018</b>
<b>SUBJECT:</b>	<b>MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2018/19</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR J GRIFFITH</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES</b>
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<b>LOCAL MEMBERS:</b>	<b>n/a</b>

### A - Recommendation/s and reason/s

#### 1. MEDIUM TERM FINANCIAL STRATEGY AND 2018/19 REVENUE BUDGET

##### 1.1 Purpose

The Executive is required to agree a number of key matters in respect of the 2018/19 budget. This will then allow the final recommendations to be presented to the full Council at its meeting on 28 February 2018. The matters requiring agreement are:-

- The Council's Revenue Budget and resulting Council Tax for 2018/19;
- 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 2018/19 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. 2018/19 REVENUE BUDGET AND COUNCIL TAX RECOMMENDATIONS

The Executive is requested :-

- To note the formal consultation meetings on the budget and consider the resulting feedback as outlined in Section 2 of Appendix 1 and Appendix 2;
- To note the equalities impact assessment summary on the budget proposals as outlined in Section 11 and Appendix 5;

- 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 10 of Appendix 1 and Appendix 3;
- To determine how the savings on the delegated schools budget, deferred from 2017/18, is to be allocated across the 3 sectors;
- To note the Section 151 Officer's recommendation that a minimum of £6.5m general balances is maintained for 2018/19;
- To note the comments made by the Section 151 Officer on the robustness of the estimates made as set out in Section 8 of Appendix 1;
- To recommend a net budget for the County Council and resulting increase in the level of Council Tax 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 28 February 2018;
- 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 recommend to the Council a 4.8% increase in level of the Council Tax.

**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 Executive?**

The Council's Constitution requires the Executive to publish its final budget proposal prior to its consideration by the 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

<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (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	<b>Finance / Section 151</b> (mandatory)	n/a– this is the Section 151 Officer's report
3	<b>Legal / Monitoring Officer</b> (mandatory)	The Monitoring Officer is part of the SLT and as such the Officer's comments have been taken into account.
4	<b>Human Resources (HR)</b>	-
5	<b>Property</b>	-
6	<b>Information Communication Technology (ICT)</b>	-
7	<b>Scrutiny</b>	Final budget proposals were considered by the Scrutiny Committee at its meeting on 5 February 2018. An update is provided in paragraph 9 of Appendix 1.
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	See Section 11 of Appendix 1 & Appendix 5
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix 1 – Detailed report on the Budget Proposals</li> <li>• Appendix 2 – Summary of the Results of the Consultation Process</li> <li>• Appendix 3(a) &amp; (b) – Breakdown of the Proposed Savings</li> <li>• Appendix 4 – Summary of the Proposed Revenue Budget 2017/18 by Service</li> <li>• Appendix 5 – Individual Equality Impact Assessments (EIA1 – EIA10)</li> </ul>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		

## 1. INTRODUCTION AND BACKGROUND

- 1.1. The following report sets out the 2018/19 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, the Council's Treasury Management Strategy, Fees and Charges and the Use of Council Reserves.
- 1.2. The revenue budget and the continued need to identify revenue savings has been driven by the Medium Term Financial Strategy as approved by the Executive Committee in September 2017 and can be summarised as follows:-

**Table 1**  
**Medium Term Financial Plan 2018/19 to 2020/21**

	2018/19 £'m	2019/20 £'m	2020/21 £'m
Net Revenue Budget B/F	126.16	125.64	125.77
Budget Pressures and Inflation	3.66	2.64	2.99
<b>Revised Budget</b>	<b>129.82</b>	<b>128.28</b>	<b>128.76</b>
Aggregate External Finance (AEF)	90.80	89.53	89.08
Council Tax	34.84	36.24	37.69
<b>Total Funding</b>	<b>125.64</b>	<b>125.77</b>	<b>126.77</b>
<b>Savings Required</b>	<b>4.18</b>	<b>2.51</b>	<b>1.99</b>
<b>Main Assumptions</b>			
Pay Awards	1.5%	1.5%	2.0%
General Inflation	2.6%	2.4%	2.2%
Reduction in AEF	-2.0%	-1.4%	-0.5%
Increase in Council Tax	4.0%	4.0%	4.0%

- 1.3. The Executive considered its initial budget proposals at its meeting on 6 November 2017 and approved the initial Standstill Budget at £132.337m and, based on the provisional settlement and a Council Tax rise of 5%, the budget gap of £1.99m was identified. The 5% rise in Council Tax included a 1% increase, which would be ring-fenced for Social Care. This additional 1% increase in Council Tax was to be consulted upon and, if not implemented, there would be an equivalent reduction in the standstill budget. The draft proposals identified potential revenue savings of £3.296m.

## 2. THE COUNCIL'S CONSULTATION

- 2.1. The Council published its budget proposals on 7 November 2017 and the consultation period closed on 29 December 2017. Citizens, partners, stakeholders and staff were asked to respond to the consultation by various means including:-

- Social Media
- Responding via the Council's website
- Responding directly by letter or e-mail

2.2. In addition, the Council also undertook :-

- Focus groups for people under the age of 25
- Older People's Forum
- Session with Headteachers and Senior School Managers
- Town and Community Council Forum
- Partnership Forum (Police, Fire, Health, Town & Community Forums, Third Sector).

2.3. The results of the consultation process are attached as Appendix 2.

### 3. REVISED STANDSTILL BUDGET 2018/19 AND THE BUDGET GAP

3.1. Since the completion of the initial budget proposals, further work has been undertaken to review and revise the standstill budget for 2018/19. This has resulted in a number of changes which are detailed in Table 2 below:-

**Table 2  
Adjustments to Standstill Budget**

	£'m	£'m
<b>Standstill Budget as at 6 November 2017</b>		<b>132.337</b>
Removal of additional funding for Social Care funded by additional 1% increase in Council Tax	(0.338)	
Fire Service Levy – increase set at 1%	(0.018)	
Correction of ICT staffing budget	0.021	
Reduction in HB Admin Grant	0.022	
Loss of Recharge to Charitable Trust	0.016	
Correction of Resources staffing budget	(0.034)	
Correction of NDR budgets – 2018/19 multiplier now confirmed	(0.014)	
Correction of Inflation assumptions on specific budgets	0.020	
Additional funding for pay offer above the 2% allowed for in the standstill budget	0.485	
Correction of Grant Budgets to reflect the higher pay offer	0.015	
Additional funding in settlement to compensate for the loss of income following the increase in savings threshold for clients in residential / nursing care	0.173	
		0.348
<b>Revised Standstill Budget as at 19 February 2018</b>		<b>132.685</b>

- 3.2.** The most significant change that has arisen since the initial budget proposals were considered relates to the pay offer to NJC staff (non teaching). In the initial standstill budget, 1% was allowed for in service budgets to fund the pay award with an additional 1% held as a contingency (£450k) as it was anticipated that the pay offer would be higher than 1%. The Employers have now published their pay offer to the Unions, which includes a 2% pay increase for all staff on salary point 20 and above but higher pay awards for staff on points 6 – 19, ranging from 9.19% for staff on point 6 to 3.73% for staff on point 19. The higher pay awards for the staff on the lower pay scales takes account of the increases in the National Living Wage and the need to maintain pay differentials between the pay scales. The Employers estimated that the overall pay costs would increase by 2.7%.
- 3.3.** The true cost of the pay offer has now been modelled into the staffing budgets and this increases the pay costs by £485k more than the 1% allowed for in the service budgets and the 1% included in the contingency budget. The total increase in pay budgets as a result of the pay offer to Anglesey is 3.08%. It should be noted that the Teaching pay award runs from September to September each year and we have no indication yet as to the level of the pay award. £150k remains as a contingency budget to fund the cost above the 1% allowed for in the Service budget.
- 3.4.** The final settlement figures were published by the Welsh Government on 20 December 2017. Across Wales, the Standard Spending Assessment increased by £38.884m, however, the anticipated Council Tax also increased by £10.10m. As a result, the overall AEF for Wales increased by £28.784m from the provisional settlement figure and this, in turn, changed the Council's Aggregate External Finance, with the final figure set at £95.812m, an increase of £0.888m from the provisional figure.
- 3.5.** The Council has resolved to set a premium of 25% on homes designated as empty (in excess of the exemption period) and homes designated as the Council's taxpayers second home. This premium, along with a Council Tax rise of 4%, would generate £34.867m. Therefore, the total funding income for the Council would amount to £130.679m, a shortfall of £2.009m.

To bridge the funding gap with Council Tax alone would require an increase of 10.0% in the Council Tax.

#### **4. REVENUE BUDGET SAVINGS**

- 4.1.** In the initial budget proposal, a total of £3.296m of revenue savings were identified and consulted upon. The individual savings proposals have been subject to a further review by the Accountancy Team and the Service Managers. The review identified that it would be possible to implement all of the proposals during 2018/19 although some may not be delivered by April 2018. This has reduced the overall potential savings by £78k.
- 4.2.** The total of the final savings proposals put forward is £3.318m. A summary by service is shown in Table 3 below and a summary by category is shown in Table 4.

**Table 3**  
**Summary of Savings Proposals by Service**

<b>Service</b>	<b>Initial Proposal £'000</b>	<b>Revised Proposal £'000</b>	<b>Difference £'000</b>
Adults	450	450	0
Children	0	0	0
Housing	23	23	0
Education - Central	336	325	-11
Education – Delegated Schools	663	663	0
Culture	65	63	-2
Regulation and Economic	125	125	0
Highways & Transport	200	196	-4
Property	140	140	0
Waste	30	30	0
Council Business	0	0	0
Transformation	44	40	-4
Resources	24	24	0
Corporate	296	236	-60
Capital Financing	1,000	1,000	0
<b>Total</b>	<b>3,396</b>	<b>3,315</b>	<b>-81</b>

**Table 4**  
**Savings Proposals by Category**

<b>Savings Category</b>	<b>Initial Proposal £'000</b>	<b>Revised Proposal £'000</b>	<b>Difference £'000</b>
Cessation / Transfer of Service	51	47	-4
Delete Vacant / Unrequired Posts	305	271	-34
Staff Restructure	137	111	-26
General Efficiency Savings	317	287	-30
Procurement Savings	150	150	0
Reduction in School Budgets	663	663	0
Reduction in Grants	20	20	0
Income Generation	142	164	22
Service Transformation	611	602	-9
Reduction in Capital Financing Costs	1,000	1,000	0
<b>Total</b>	<b>3,396</b>	<b>3,315</b>	<b>-81</b>

4.3 The proposed budget includes a £300k contingency which will meet any redundancy costs arising from the restructure of staffing structures or reductions in teaching staff. Any proposal to restructure staffing structures which result in the payment of redundancy payments will have to demonstrate that it results in permanent budget savings which exceed the cost of the redundancy over an agreed period of time.

4.3. Taking into account the revised level of savings, the revised budget position is shown in Table 5 below:-

**Table 5  
Revised Budget Position After Savings**

	£'m
Standstill Budget as at 19 February 2018	132.688
Identified Savings	(3.315)
<b>Revised Revenue Budget after Savings</b>	<b>129.373</b>
Aggregate External Finance	(95.812)
<b>Budget Requirement to be Funded by Council Tax</b>	<b>33.561</b>

## 5. PRESSURES AND GROWTH

5.1. The Council's monitoring report to the end of quarter 3 shows that budget pressures are being felt in Children's Services and Adult Services and also in the Out of County Education budget. Although there is an expectation for every service to maintain their costs within the budget, this is difficult in services which are demand led. The estimated overspend amounts to around £1.8m in Children's Services and £700k in Education. Work is ongoing to find ways to reduce costs but this will only partly offset the overspend and unless demand reduces the ongoing budget will be insufficient to meet future costs.

5.2. In addition to normal demand led budget pressures, decisions which are partly outside the control of the Council have also resulted in additional budget pressures. These include:-

- Deprivation of Liberty Safeguards (DOLS) – The requirement on the Council to undertake DOLS assessments annually will increase costs considerably. It is estimated that an additional £172k per annum will be required. See Executive Committee 29 January 2018.
- Regional Growth Bid – In line with the other 5 North Wales authorities, the Council agreed to contribute up to £50k in 2017/18 to meet the costs of preparing the bid. As the bid moves ahead, further funding at a similar level will be required.
- STEM Project – The STEM project is a 4½ year project which is partly funded from EU grant funding, part funded by the private sector and partly funded by the 3 North West Wales local authorities. The project will require the Council to contribute up to £37,500 over the next 4 years, although this may reduce if the private sector contribution increases.
- Single Environment Grant – A large part of the Single Environment Grant, which is mostly used to fund the costs of recycling, was transferred into the settlement and the £920k relating to the Isle of Anglesey has been included in the standstill budget. The remaining £26.8m of this grant across Wales will be cut to £20.79m in 2018/19 (a reduction of 22%). It is estimated that this will reduce the Council's grant by approximately £180k (final figures to be confirmed).



- Education Improvement Grant – This grant has been reduced by 11.4% across Wales and Anglesey's allocation has fallen by £268k. In addition the majority of the costs funded by the grant are staffing costs and the pay offer (see para 3.2) will increase the costs of grant funded posts by £95k.

5.3. Funding these budget pressures will increase the Council's net budget requirement and widen the gap between that figure and the total of funding available.

## 6. COUNCIL TAX

6.1. The Council's Band D Council Tax charge for 2017/18 was £1,088.01, which is the 5<sup>th</sup> lowest in Wales and is lower than the Welsh Average of £1,184. More importantly for Anglesey is the comparison to the 5 other North Wales authorities. This is shown in Table 6 below:-

**Table 6**  
**Comparison of Council Tax Band Charges for North Wales Authorities**

Authority	Band D Charge 2017/18 £	Amount Above / Below Anglesey £	Percentage Above / Below Anglesey %
Anglesey	1,088		
Gwynedd	1,241	+ 153	+ 14.1%
Conwy	1,113	+ 25	+ 2.3%
Denbighshire	1,191	+ 103	+ 9.5%
Flintshire	1,104	+ 16	+ 1.5%
Wrexham	1,052	- 36	- 3.3%

6.2. The Council Tax budget for 2017/18 (after adjusting for the change in the Council Tax Base) was £33.526m. Therefore, each 1% increase generates an additional £335k. The Executive Committee's initial budget proposal was to increase the Council Tax by 4%, which would generate an additional £1.34m and give a Band D charge of £1,131.57, an increase of £43.56 (£0.84 per week).

6.3. The impact of each 0.5% rise from 1% to 5% is shown in Table 7 below. It should be noted that the level of Council Tax rise is not only important in setting the 2018/19 budget but will also have an impact for 2019/20, as the starting point for the Council Tax will be determined by the rise applied in 2018/19 and this will impact on the rise required in 2019/20.

**Table 7**  
**Impact of Varying Increases in the Level of Council Tax for 2018/19**

Percentage Increase	Change in Overall Council Funding £	Funding Above 2018/19 Revised Standstill Budget £	Band D Charge 2018/19 £	Increase from 2017/18 Charge £	Weekly Increase from 2017/18 Charge £
5.0%	+ 1.676m	+ 1.641m	1,142.37	+ 54.36	+ 1.05
4.5%	+ 1.509m	+ 1.474m	1,136.97	+ 48.96	+ 0.94
4.0%	+ 1.341m	+ 1.305m	1,131.57	+ 43.56	+ 0.84
3.5%	+ 1.173m	+ 1.138m	1,126.08	+ 38.07	+ 0.73
3.0%	+ 1.006m	+ 0.970m	1,120.68	+ 32.67	+ 0.63
2.5%	+ 0.838m	+ 0.803m	1,115.19	+ 27.18	+ 0.52
2.0%	+ 0.671m	+ 0.635m	1,109.79	+ 21.78	+ 0.42
1.5%	+ 0.503m	+ 0.468m	1,104.30	+ 16.29	+ 0.31
1.0%	+ 0.335m	+ 0.300m	1,098.90	+ 10.89	+ 0.21

- 6.4.** Any increase in Council Tax would provide more funding than is required to fund the Revised Standstill budget of £129.373m. The surplus funding can be utilised to as follows:-
- To fund the budget pressures identified in paragraph 5 above.
  - To allow some of the £3.315m of proposed savings to be deferred.
  - To increase contingency budgets, thereby reducing the risk of overspending in 2018/19.
- 6.5.** It should be noted that the Cabinet Secretary for Finance and Local Government made no specific reference in his statement on the settlement regarding the level of increase in Council Tax that individual authorities should consider. There is no official cap on the level of the Council Tax increase, but for a number of years Councils have aimed to keep the increase below 5%. Some Councils are seriously considering increasing their Council Tax by more than 5% in 2018/19.
- 6.6.** In the final 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 £1,170.48 which is 3.4% higher than the 2017/18 figure.

## **7. GENERAL AND SPECIFIC RESERVES, CONTINGENCIES AND FINANCIAL RISK**

- 7.1.** 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. The key financial risks are highlighted below:-
- Any projected overspend in 2017/18 has direct implications for the 2018/19 budget, i.e. will services which are currently overspending face the same budget pressures in 2018/19 and, as a result, will they be able to deliver services within the proposed budget in 2018/19. In addition, any overspend in 2017/18 will impact on the Council's level of general reserves moving forward. A net overspend on Service budgets (excluding corporate budgets and capital financing costs) of £3.05m is currently being forecast for 2017/18 and this is an important factor to take into consideration;
  - The revised standstill budget for 2018/19 includes savings proposals of £3.315m. If implemented, they will need to be delivered in order to achieve a balanced budget for 2018/19. Allowance has been made, where appropriate, for implementation costs, but there is an element of financial risk around full delivery of all savings, with the risks varying considerably between individual proposals. Realistic part year assumptions have been made where implementation cannot be immediate, but there is an inherent financial risk around achieving changes in time to deliver this type of planned saving;
  - An inflationary increase of 2.6% has been allowed for across all of the non pay expenditure (unless the contractual inflationary increase is known). Although most forecasts suggest that inflation has reached its peak and will begin to fall in 2018, the uncertainty over Brexit and its impact on the UK economy may result in inflation continuing to rise above the figure allowed for in the budget;
  - Non statutory fees and charges have been raised by an average of 3% in each service. No adjustment has been made for a change in the demand for the services and, should the increase in fees and charges result in a reduction in demand, then there is a risk that income budgets will not be achieved.

- 7.2.** 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.
- 7.3.** 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.
- 7.4.** 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.
- 7.5.** As at 31 March 2017, the Council's general reserves stood at £8.355m, which is equivalent to 6.6% of the Council's net revenue budget for 2017/18, 10.2% if the delegated schools' budget is excluded. The level of general reserves held is a matter for the Council to decide based on a recommendation from the Section 151 Officer but, as a general rule of thumb, 5% of the net revenue budget is considered to be an acceptable level. Based on the 2018/19 standstill revenue budget, this would require a level of general reserves of approximately £6.5m. This takes into account that the majority of secondary schools no longer have any reserves to fall back on and that primary schools are increasingly relying on their service reserves to balance their budgets.
- 7.6.** During 2017/18, a number of items will have to be funded from the general reserves or the Executive have agreed to fund the cost from the general reserves. These include:-
- Funding of voluntary redundancy costs - £0.25m – approved by the Executive 17 July 2017;
  - 2017/18 revenue budget overspend of £1.7m estimate at end of quarter 3;
  - The cost of repairs arising from the recent flooding, above the sum which is funded through the Welsh Government's emergency assistance scheme – estimated at £0.4m but we are awaiting final confirmation of the exact value of the Welsh Government grant. If it is lower than anticipated it may require some repair work to be deferred;
  - Removal costs of the Rovacabin building and making good the car park - £0.028m – approved by the Executive 29 January 2018;
  - Funding the design of improvement works on the A545 Menai Bridge to Beaumaris - £0.095m – approved by the Executive 29 January 2018.

Following these adjustments, the revised level of general balances falls to £5.882m which is below the minimum value of £6.5m.

- 7.7.** The Council also holds £13.357m as earmarked and restricted reserves. The majority of these reserves are necessary and are identified to fund specific projects, relate to the balance of unallocated grants or are available to fund potential risks should they materialise into an issue. However, included in the earmarked reserves is £996k which was held to part fund the cost of Equal Pay Claims. The vast majority of claims have been settled and the Welsh Government has authorised the capitalisation of this expenditure, which will allow the Council to borrow to meet the cost. Some work is required to finalise the remainder of the claims and to pay any fees incurred, however, it is likely that that over £700k of this reserve will not be required and can be added to the general balances of the Council. This increases the balance to £6.56m which is at the minimum value.
- 7.8.** In times of financial austerity, budgets are reduced and do not have the capacity to deal with increases in demands, particularly in those services which have less control over demand e.g. Social Services. There is, therefore, an argument that the need for general reserves is greater because the risk of budget overspending increases and the Council will require a greater level of financial resources to minimise the risk.
- 7.9.** In my professional opinion, the balance of £6.56m is an adequate level of general reserve to carry, taking into account the size of the Council's revenue budget and the potential risks it faces but this position needs to be reviewed and, should the level of reserves fall below this level, it may be necessary to make provision in future budgets to bring the general balances back up to the minimum figure.
- 7.10.** There may be scope to release other earmarked reserves and a full report on General and Earmarked Reserves is included as a separate item on the Committee Agenda.
- 7.11.** The standstill revenue budget for 2018/19 includes £1.687m of earmarked and general contingencies. Items included under this heading include a general contingency £280k, apprenticeship levy contingency £330k, salary and grading contingency £300k, fixed term funding for Adult Social Care and Children's Services £335k, Pay Inflation contingency £150k and a New Responsibilities transferred into the Settlement contingency £292k. Contingency budgets provide a level of mitigation against the risk of the Council experiencing unforeseen or increased costs during the year. Reducing the level of general contingency budgets would result in unforeseen or increased costs having to be funded from general balances.

## **8. ROBUSTNESS OF ESTIMATES**

- 8.1.** 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.
- 8.2.** 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.
- 8.3.** 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** – This is the risk that actual inflation could turn out to be significantly different to the assumption made in the budget. For 2018/19, inflation has been included in the budget as follows: pay awards as per the Employer’s pay offer for NJC staff and 2% for Teachers, price inflation (2.6%). Following the result of the EU referendum, inflation has risen and currently stands at 3.1% (CPI – November 2017), although many forecasts expect inflation to begin to fall back towards the Government’s 2% target during 2018 and the level of inflation allowed for in the budget should be sufficient. Approximately £65m of the Council’s budget is for supplies and services where the price will increase as inflation increases. A 1% rise in inflation may add £650k to the Council’s costs (around 0.5% of the net budget). Although inflation is still a risk, the Council has sufficient reserves to fund a sudden and sharp rise in inflation;
- **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 and, although they may begin to rise during 2018, they will not rise significantly. The majority of the interest paid by the Council relate 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** – 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. If these projects should run into difficulties and fail to achieve the savings taken out of the budget, significant overspendings could occur;
- **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;

- **Savings Risks** – The standstill revenue budget includes £3.315m of revenue savings and, although each proposal has been assessed and the saving sum adjusted to take account of the proposed implementation date, there is a risk that not all proposals will achieve the planned date. This is particularly the case for the proposals that involve significant service transformation, staff redundancies, income generation or changes to existing contracts. Any delay from the planned start date will cause pressure on the revenue budget; some reassurance can be gained from the Council's previous performance in delivering savings, where the majority of savings proposals have been delivered;
- **Salary and Grading Risks** – Following completion of the job evaluation process, all staffing budgets are based on the new pay grades. All regrading appeals arising from the job evaluation process have been dealt with and any changes to pay grades or staffing structures must now be funded from within existing service budgets;
- **Staff Redundancy Costs** – A number of services have restructured their staff and have already allowed a number of staff to be released through voluntary redundancy. The cost of redundancies is funded from a central contingency budget and £300k has been set aside in the 2017/18 standstill budget to cover any redundancy costs that arise during the year in order to mitigate this risk. The same sum was initially set aside in 2017/18 but an additional £250k was released from general balances to meet the costs. Although the numbers of administrative staff that are being released through voluntary redundancy has reduced, the pressure on schools to reduce costs is increasing which is leading to an increase in the number of school staff leaving the Council's employment. It is again a significant risk that the £300k contingency will be insufficient to meet the costs;
- **Council Tax Premium** – In the first year of the premium, the taxbase was set at 70% of the listed properties. During 2017/18; the number of empty homes attracting a premium has fallen but the number of second homes attracting the premium has not. In light of this, the percentage of properties included in the taxbase has been increased to 80%. There is a risk that taxpayers may take action to ensure that they are no longer liable for the premium and that the number of actual properties paying the premium falls below the figure included in the taxbase. However it would require the equivalent of over 500 Band D properties to stop being charged the premium for the Council's income to fall below the budget and, as a result, this risk is considered to be very low.

8.4. 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.

## 9. SCRUTINY COMMITTEE

9.1. The 2018/19 budget setting was given further consideration by the Corporate Scrutiny Committee at its meeting of 5 February, 2018.

9.2. The report of the Scrutiny Manager was presented which outlined the context to the 2018/19 budget setting process along with the key issues and questions for Scrutiny in evaluating the final budget proposals in light of the outcome of the recent public consultation. This report also incorporated the following documentation:

- Report of the Head of Resources on the Medium Term Financial Plan and the proposed revenue budget for 2018/19. It provided a position statement on the key financial considerations which had influenced how the final budget proposals had been shaped.
- Report of the Programme, Business Planning and Performance Manager summarising the key messages from the recent public consultation exercise on the Authority's 2018/19 budget proposals.

- Report of the Citizens' Panel and Youth Council (Llais Ni) on their involvement with regard to improving public engagement with Scrutiny

**9.3.** Having considered and deliberated on the information presented both in written form and orally at the meeting, and having regard to the views presented by respondents to the public consultation on the 2018/19 budget proposals on citizens, the Corporate Scrutiny Committee **RESOLVED:** To support and to recommend to the Executive at its meeting on 19th February 2018 the revenue budget proposals presented based on a Council tax rise of 5% to include a 1% increase ring-fenced for Social Care.

## **10. PROPOSED BUDGET AND COUNCIL TAX LEVEL**

**10.1** Having considered the funding available and the increase in the AEF since the initial budget proposals were drawn up, having considered the results of the consultation process and the response of the Scrutiny Committee, the Executive has revised its final budget proposal and includes the following changes:-

- That the standstill budget for 2018/19, after allowing for £3.315m of proposed savings, is set at £129.373m.
- That the following adjustments are made to the savings proposals:-
  1. The reduction in the delegated schools' budget of £563k is not implemented in 2018/19. The budget will be cut by the £490k which was agreed as part of the 2017/18 budget but funded from reserves and schools will also face a reduction of £100k in the additional learning needs budget and a reduction of £275k in the Education Improvement Grant. The Executive Committee consider that an additional cut of £563k will be difficult for schools to implement in the short term.
  2. The proposed increase of £10 per annum for the vacant seat scheme will not be implemented at this time. Further work is required to improve the payment process and allow parents more flexibility in how the fee is paid.
  3. No reduction is to be made in the level of grant funding for community groups. The impact of the reduction will be significant to the groups affected compared to the overall saving for the Council.
  4. The reduction of £100k in the schools repair and maintenance budget is not implemented. The Property Section is working to reduce costs by employing in house staff to undertake the work rather than employing external contractors. The impact of these changes need to be assessed before making any further reductions in the budget.
  5. The closure of the 2 kitchens in the Council's residential homes is to be deferred pending further work to determine the set up costs of the proposal.
- This reduces the total value of the savings proposals to £2.522m (a full list is attached as Appendix 3).
- That additional funding to meet budget pressures is allocated as follows:-

1. That the funding generated by a 0.8% increase in Council Tax (i.e. above the initial 4% proposal) is allocated to Children's Services as a contribution towards the increasing costs faced by the Service due to an increase in the number of looked after children. This increases the budget by £268k.
  2. £172k is allocated to fund the cost of undertaking Deprivation of Liberty Safeguards in accordance with the Executive Committee's decision on 29 January 2018.
  3. £50k is allocated for 2018/19 only to fund the costs of preparing the North Wales Regional Growth bid. The need for further funding will be assessed during 2018/19.
  4. £37k is allocated to the STEM project for the period 2018/19 to 2021/22, in accordance with the decision taken by the Executive on 29 January 2018.
  5. An additional £180k is allocated to the Waste budget to make up for the reduction in the Single Environment Grant. This sum will be adjusted if the reduction in the grant is less than £180k.
- That the Council Tax is increased by 4.8% in 2018/19 which raises the Band D Council Tax by £52.20 to £1,140.21..
  - That any remaining balance required to balance the budget fully is added back to the general contingency.

10.2 Table 8 below summarises the movement in the 2018/19 budget taking into account the proposals set out in paragraph 10.1 above.

**Table 8**  
**Proposed Budget Requirement and Funding 2018/19**

Budget Requirement	£'m	£'m
Final Budget 2017/18		126.157
Committed Charges and Inflation		6.180
<b>Standstill Budget as at 6 November 2017</b>		<b>132.337</b>
Adjustments to Standstill Budget – see Table 2		0.348
<b>Standstill Budget as at 19 February 2018</b>		<b>132.685</b>
Final Possible Savings Proposals – see Table 3 & 4		(3.315)
<b>Revised Budget Requirement After Savings</b>		<b>129.370</b>
<b>Final Budget Proposals – paragraph 10.1</b>		
Adjustment to final savings proposals	0.793	
Funding for additional budget pressures	0.707	
		1.500
<b>Final Proposed Budget Requirement</b>		<b>130.870</b>
<b>Funded By:</b>		
Revenue Support Grant	73.238	
Non Domestic Rate	22.574	
Total AEF		95.812
Council Tax (incl Premium)		35.133
<b>Total Funding</b>		<b>130.945</b>
<b>Balance to General Contingency</b>		<b>0.075</b>



**10.3.** As part of the 2017/18 budget, £490k of budget savings from the delegated schools budget was deferred for one year, along with the decision as to how to allocate the savings across the three school sectors. The Executive are asked to consider how to allocate the savings. The following allocation options are available:-

- Based on the 2018/19 delegated schools' budget. This would allocate the saving as follows:- £257,640 to the Primary Sector, £212,320 to the Secondary Sector, £20,040 to the Special Sector.
- Based on the level of school balances as at 31 March 2017 (the last known figure). This would allocate the savings as follows:- £399,940 to the Primary Sector, £53,460 to the Secondary Sector, £36,600 to the Special Sector.
- An average of the 2 methods shown above. This would allocate the savings as follows:- £328,790 to the Primary Sector, £132,890 to the Secondary Sector and £28,320 to the Special Sector.
- Allocate all the saving to the Primary Sector, given that the financial situation of a majority of the schools in this sector is healthier than the Secondary Sector.

## **11. EQUALITIES IMPACT ASSESSMENT**

**11.1.** 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.

**11.2.** As part of the 2018/19 budget setting process, services were requested to carry out an initial equality impact assessment on those proposals which may impact on those covered by the Regulations. The Equality Impact Assessment is undertaken using a standard template which ensures consistency of approach across the Council. Proposals which are likely to have significant impact will need to be monitored closely by the service.

**11.3.** The Equality Impact Assessments for the main savings proposals that impact on customers and clients are attached as Appendix 5 (referenced as EIA 1 to EIA 10).

## **12. UPDATING THE MEDIUM TERM FINANCIAL STRATEGY**

**12.1.** The initial budget proposals to the Executive on 6 November 2017 was based on the Medium Term Financial Strategy approved by the Executive in September 2017 (see Table 1). This estimated that the total AEF would reduce by 2% in 2018/19 and that Council Tax would rise by 4%.

**12.2.** The actual settlement increased the AEF by 0.7% and this has had a significant impact on the Medium Term Financial Strategy. The situation is not unique to Anglesey and a majority of Welsh Councils had planned for a significant cut in the AEF, when the AEF for 13 of the 22 Councils actually increased in cash terms.

**12.3.** Estimating future changes in the AEF is difficult and much will depend on the performance of the UK economy post Brexit. The UK Government has revised their fiscal policy and it is no longer a target to clear the UK budget deficit by 2020 but, if economic growth is lower than anticipated, then this may result in further cuts to the Welsh Government's overall budget. The protection that the Welsh Government gives to other areas of spending compared to local government will also have a significant impact on the level of future local government settlements.

- 12.4. The provisional settlement indicated that the local government settlement in 2019/20 could be reduced by up to -1.5%, although this is not restated in the final settlement. The final settlement does state an additional £20m will be made available in 2019/20 but whether this is after the reduction of 1.5% or that it replaces the intention to reduce the funding by 1.5% is unclear.

Table 9 shows the worst case scenario with significant cuts in the AEF for 2019/20, no change in AEF in 2020/21 and a 0.5% increase in 2021/22. Pay costs are estimated to increase by 3% in 2019/20 and then 2% in the subsequent 2 years. Price inflation is estimated at around 2% in each of the 3 years. This model assumes that Council Tax will increase by 4% per annum.

**Table 9**  
**Medium Term Financial Strategy 2019/20 – 2021/22 (Worst Case Scenario)**

	2019/20 £'m	2020/21 £'m	2021/22 £'m
<b>Net Revenue Budget B/F (after adjusting for use of reserves)</b>	<b>130.95</b>	<b>131.26</b>	<b>133.11</b>
Budget Pressures and Inflation	3.25	3.31	3.27
<b>Revised Budget</b>	<b>134.20</b>	<b>134.57</b>	<b>136.38</b>
Aggregate External Finance (AEF)	(94.37)	(94.37)	(94.85)
Council Tax	(36.89)	(38.74)	(40.67)
<b>Total Funding</b>	<b>(131.26)</b>	<b>(133.11)</b>	<b>(135.52)</b>
<b>Savings Required</b>	<b>2.94</b>	<b>1.46</b>	<b>0.86</b>

- 12.5. Table 10 shows a more optimistic scenario where the AEF increases by 0.5% for the three year period. All other assumptions remain the same.

**Table 10**  
**Medium Term Financial Strategy 2019/20 – 2021/22 (Optimistic Scenario)**

	2019/20 £'m	2020/21 £'m	2021/22 £'m
<b>Net Revenue Budget B/F (after adjusting for use of reserves)</b>	<b>130.95</b>	<b>133.18</b>	<b>135.51</b>
Budget Pressures and Inflation	3.25	3.31	3.26
<b>Revised Budget</b>	<b>134.20</b>	<b>136.49</b>	<b>138.77</b>
Aggregate External Finance (AEF)	(96.29)	(96.77)	(97.26)
Council Tax	(36.89)	(38.74)	(40.67)
<b>Total Funding</b>	<b>(133.18)</b>	<b>(135.51)</b>	<b>(137.93)</b>
<b>Savings Required</b>	<b>1.02</b>	<b>0.98</b>	<b>0.84</b>

- 12.6. An updated Medium Term Financial Strategy will be presented to the Executive as information on future settlements becomes clearer.

### 13. RECOMMENDATIONS

- 13.1. The Executive is recommended to approve the final budget proposal as set out in Paragraph 10 to the full Council meeting on 28 February 2018.

**Response to the Executive Committee's Initial Budget Proposals – 2018/19**

**ISLE OF ANGLESEY COUNTY COUNCIL**

**January 2018**

**Analyst – Alwyn Williams, Performance Analyst**

**Author – Gethin Morgan, Business Planning, Programme and Transformation Manager**

**Head of Service – Scott Rowley, Head of Corporate Transformation**

**1. Introduction**

- 1.1. The Council recently undertook a consultation exercise on the initial budget proposals by the Executive Committee between 7 November and 29 December, 2017. The 7 week consultation period focused on approximately 40 proposals.
- 1.2. These proposals were the result of the annual budgetary process. They were presented by the services during the autumn where they were also challenged and agreed upon for the purposes of consultation by the Elected Members of every political group in the Council.
- 1.3. The proposals were split into the following themes as outlined below, namely:
  - Cessation or transfer services
  - Transform a Service or alternative provision
  - General Efficiency Savings
  - Charging more for some of the services we provide
  - Reduce and rationalise staff numbers
  - A reduction in school costs
  - What is your view on the proposed 4% increase in Council tax and are you willing to pay an additional 1% to be used to protect social services
- 1.4. Consideration was given to a broad range of savings where the internal challenge and consensus had led to proposals that varied from matters such as closing Plas Penlan residential home after opening Hafan Cefni, cuts to the culture grants, increasing school bus fees and increasing some parking fees across the Island.
- 1.5. These proposals were publicised in various ways;
  - 1.5.1. A briefing session for the local press
  - 1.5.2. Statements and articles in the press
  - 1.5.3. The proposals were published on the Council's website (homepage)
  - 1.5.4. Extensive use of social media – Twitter, Facebook to promote the proposals to a broader range of residents

1.5.5. Relevant e-mails drawing attention to, and inviting residents to attend discussions on the proposals

1.5.6. An interview by the Leader on MônFM promoting the consultation and its contents

Each of the channels above were aimed at publicising and creating enthusiasm amongst citizens and staff to engage and respond to the initial proposals.

1.6. Citizens, partners and staff were asked to respond to the consultation through different means, including:

- An on-line survey on our website
- E-mail or
- Writing to us in the traditional way by posting a letter

1.7. As well as the above, the Council held:

- Focus group session for young people under 25 years old in the Council Chamber and further ones in David Hughes, Amlwch, Bodedern, and Holyhead secondary schools
- A session in the Council for a number of partners such as the Police, the Fire Service, Health, Town and Community Councils, 3<sup>rd</sup> Sector organisations and other agencies.
- A session with the Head teachers and Senior Managers of schools on the Island on 26<sup>th</sup> October 2017, and subsequently on 17<sup>th</sup> January, 2018
- A Town and Community Councils Forum on 21<sup>st</sup> November, 2017

The consultation this year followed the same pattern as similar consultation events that have been held in recent years, but greater emphasis was placed this year on promoting an electronic response through our extensive use of social media.

Also, and contrary to last year, for the first time this year we sought our residents' views on where we could increase our income or make further savings over the years to come. The purpose of this was to spark a discussion with our residents and communities on the issues under consideration.

We have received a wide range of ideas in response to this question and most are included as Appendix A to this report.

**It is recommended** that these ideas are considered further by the Scrutiny Finance Panel as a supplementary part of the current process to see whether they can be accepted as genuine ideas for the years ahead.

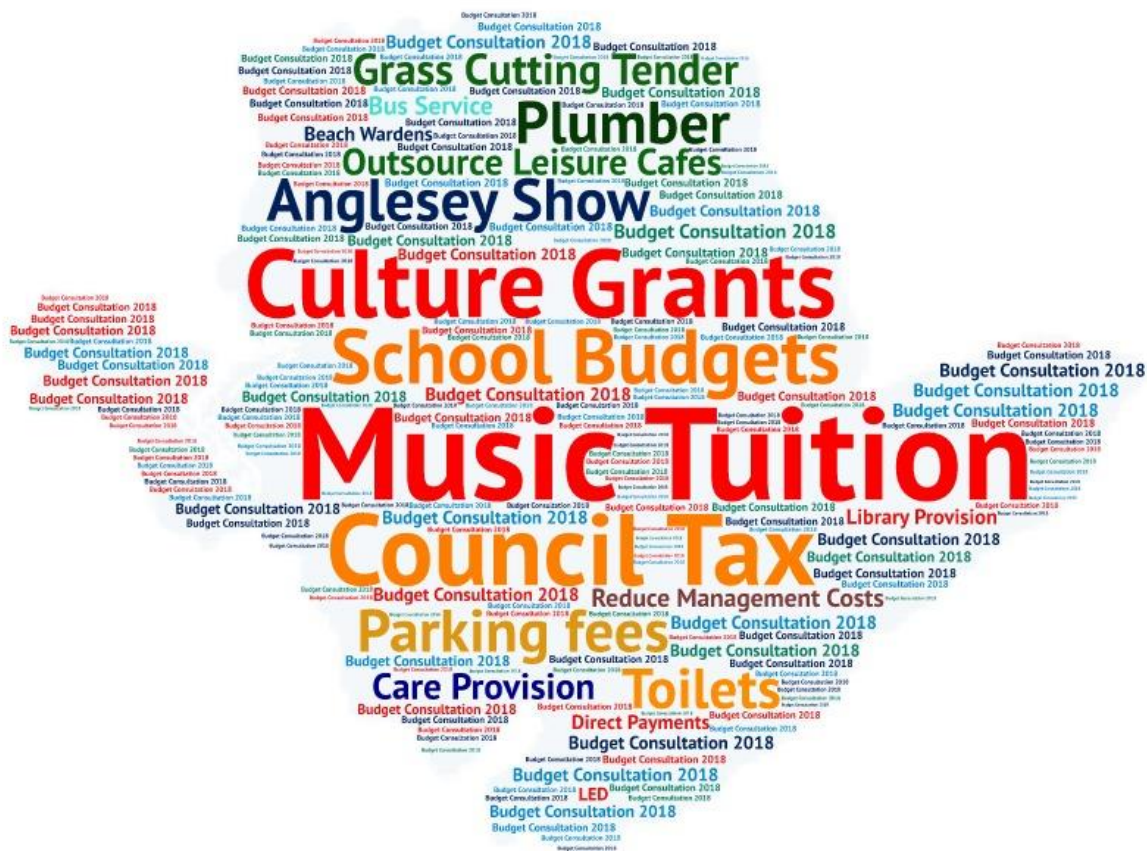
## **2. Findings**

2.1. The response to the initial budget proposals for 18/19 over a period of 7 weeks was fairly positive. Around 700 responses have been received again this year through the various channels outlined above, with respondents using all methods available to them to engage.

- 2.2. The most successful method of collecting responses again this year was the online survey – around 47% responded through this channel. This is lower than the corresponding percentage last year, but this year saw an increase in the numbers responding via letter and e-mail. These responses related to two particular matters.
- 2.3. Responses were received from bodies such as town councils, school governing bodies, older people and disabled people, young people, teachers, and other residents that could not be included in any particular group.
- 2.4. Like last year, we have been able to capture the ‘reach’ and engagement we made as a Council through social media. By promoting the consultation through these media we reached approximately 57,000+ people. (6,000+ through Welsh-medium posts and 51,000+ people through our English posts).
- 2.5. We posted the consultation on social media several times over the relevant period (7 weeks).
- 2.6. The fact that we managed to reach so many does not confirm that they visited the consultation page itself on the web, but the figures undoubtedly show that these numbers were aware of the consultation that was underway.
- 2.7. Indeed, from the analytical information we have, we can see that the reach of the marketing drive on social media this year has meant a strong engagement with around 1,600 individuals who visited the consultation on our website.
- 2.8. This figure is reiterated by the numbers who visited our corporate website during the 7 week period, and the geographical origin of those individuals who visited the survey from countries such as –
  - 2.8.1. USA
  - 2.8.2. Spain
  - 2.8.3. UAE
  - 2.8.4. Turkey
  - 2.8.5. South Africa.
- 2.9. Nonetheless, the majority of visits to our website were by UK citizens (over 1,500).
- 2.10. Notable this year is the fact that we reached households in the following towns and villages as part of the consultation – Holyhead, Llangefni, Amlwch, Menai Bridge, Newborough, Valley, Gaerwen, Beaumaris, Benllech, Llandegfan, Bodedern, Pentraeth, Gwalchmai, Rhosneigr, Moelfre, Bodorgan, Caergeiliog, Llanfachraeth, Llanddona, Llangoed, Llangristiolus, Llanfaelog, Llanfechell, Aberffraw, Marian-glas.
- 2.11. This is encouraging to note and if we could use this statistic to assume that the responses received have come from this cross-section, we could say that the response has been cross-county where the views of the various communities have been received.

### 3. The Results of the Consultation

3.1. The results of the consultation this year have been positive and balanced on the whole, with viewpoints in favour of and against a number of proposals. There were three specific fields where a clear opinion was offered and these fields will become evident as part of this report. (see below)



3.2. As a result, the remainder of this report addresses the formal responses that were received through the various methods outlined in 1.6 and 1.7 above. It is drawn up to address / follow the relevant topics / themes.

3.3. **Reduction in Schools' costs.** There were 2 recommendations to consider as part of the consultation

- Maintain the schools' budgets at the same level as 2017/18 by asking the schools to fund the costs of pay awards and inflation from their existing budgets - £563,000
- Devolve more of the maintenance budgets to the schools allowing them to manage repair work - £100,000

The total of the 2 recommendations above was - £663,000.

3.3.1. From the responses received it appears that there were two general mind-sets. One mind-set by those who are involved with education regularly (namely teachers / parents and governors) and another by individuals who (seemingly) have no obvious connection with the world of education.

3.3.2. *With regard to the response from those involved with education, it became clear that the first recommendation (1) was completely unacceptable. Points similar to the following were noted–*

- Education should be the number one concern for any authority and should be protected as a priority.
- Absolutely not. Do you not think schools have taken enough of a beating? Have you ever worked as a teacher?.....scrap this idea now, unethical and immoral
- This is simply a textbook 'pass the buck' move that will see schools enter a new period of severe crisis. I do not support it.
- The description of a saving for option 1 is misleading for lay people – it is essentially a cut .....we are in a crisis. Facing additional costs is completely impossible. Standards and the nature of the support are already suffering.
- The Schools are stretched as it is.....schools should most definitely not be facing additional costs from their slim budgets.
- The first saving is utterly disgraceful! You may as well close all the schools on Anglesey, shameful!

3.3.3. *But with respect to the positive aspects of the proposals, we received responses similar to the following –*

- .....the schools reduction in cost should be much more radical and there should be a real emphasis on transforming schools across the island, which should extend to secondary schools.....
- Both are sensible
- Seems fair perhaps more PTA's could encourage parents to volunteer their time to help with school repairs (depending on their skills)
- Hardly anyone is getting pay awards these days so the school budget should be maintained at existing levels. The school service isn't improving therefore it's only natural that pay awards should be frozen.....

3.3.4. Therefore roughly, while some are against such a change / reduction, there are some who are also in favour. With regard to the response from young people, it was obvious that there was a feeling of frustration – many of the focus groups recognised that schools were not being treated fairly, that the existing budgets should not be cut, and an example was put forward by one group that they had had to paint the school on weekends in the past. It was noted that investment was needed in technology in secondary schools, not cuts.

3.3.5. As you will realise, this is not a black and white matter and it appears from the replies that the response is fairly wide-ranging.

3.3.6. With regard to the second point and the recommendation to devolve more money to the schools – this was also an issue that drew frank responses and differing opinions. Please note at this point that this recommendation was made jointly between the Authority and the Schools Finance Panel which includes Head teachers.

3.3.7. We received responses such as these –

- If there is money in the budget for repairs etc then I agree with pt 2
- Agree with more devolution .....to the schools since we can obtain fairer prices that are not inflated because the companies know that it is the Council paying
- This may have merit, but only where schools are genuinely free to choose the contractors / materials that meet best-value criteria.....
- This sounds good but would be totally ineffective as the schools do not have the in-house skills to do this task properly.
- Could would – with parents from schools communities fundraising for repairs.
- Devolution would be abdication of responsibility.....as a Head teacher I work over 60 hours.....will there be more funding for us to employ business managers??
- Use Education and school reserves for maintenance, surely that's what it's there for?
- If you are of the view that £100,000 can be saved by devolving the maintenance funding to schools in one year, there has been gross maladministration for years.....

3.3.8. In addition to what has already been noted, we note as well that the Authority has received a letter from the Anglesey region of the National Education Union. The response states and reminds us of our responsibilities to implement a salary increase for teachers and it draws attention to the fact / tension that some schools will be in a stronger position than others to do this as part of the discussions. They draw attention to wider points in the budget papers which recognise those responsibilities and they also highlight the point that if investment can be provided to those schools that might be in financial difficulties to be able to deal with the matter, then they may feel that they could support the saving.

3.3.9. Therefore, to close on the proposal on schools' costs, it seems that there is an obvious split with some in favour and some against. The discussion above demonstrates some of those tensions.

3.4. **Reduce Staff numbers** – 6 proposals were being recommended and they varied from

- combining posts in the different departments to create one post,
- reducing the number of posts in the Property department, to
- eliminating posts completely in the Resources and Transformation services

3.4.1. This reduction gave a total of £347,000

3.4.2. The responses to this theme were more positive than the rest, with perhaps greater emphasis being placed on agreement with the cuts rather than disagreement, although some questioned the impact of such changes.

3.4.3. Responses such as the following were received –

- Very surprised that there are not substantially more opps for staff reductions
- If the Council is to be run as a business, all the above must be implemented
- This makes economic sense as if posts are not filled they why do we need the specific role
- Certainly manager posts should be amalgamated and salaries capped.



3.4.4. Despite this positive response, there was a feeling that there is a need to monitor the pressure on staff who had to take on the additional burden / questioned whether such a reduction was short-sighted' especially in Highways / Planning bearing in mind the additional pressures that will come our way with the Wylfa developments etc., and questioned whether specific financial targets could be given to some to enable an increase in income and the continuation of specific posts.

3.5. **The next theme is charging more for some of the services we provide** – 9 recommendations were proposed and they varied from –

- Increasing income for Oriol Môn by focusing more on marketing it
- Increase bus fees by 10% (£12) for bus passes and the empty seats scheme
- Increase some parking fees across the Island
- Increase the price of the morning childcare club from 75p to £1

3.5.1. This theme gave a total of £142,000 and the response was more balanced than what had been anticipated originally, although many conveyed frustration. We received responses that were similar to the following –

- Value for money should be considered if intending to increase fees
- Proposals seem fair and wouldn't overtly affect my family
- These proposals seem very unfair to the poor
- I believe that the cost of secondary transport is already expensive. Young people who go to their catchment school and live within 3 miles of their school should not be penalised.

3.5.2. Despite this, some noted that the increase in bus fees was not fair and this feeling was acknowledged in the various meetings that were held as part of the process this year. This increase did not come across as sparking strong feelings in those forums but it was acknowledged that families would fight back against such an increase should it be realised, and that this should be expected if the Executive Committee / Council agreed to the proposal.

3.5.3. This view was reflected by the young people as well, and this group noted that the service is not currently 'up to scratch' – they felt that the buses were old, were often running late, and neither the school nor the drivers had an understanding of how this affected them if they were late. However, a small group of these young people saw that there may be advantages to using direct debit to pay the cost so that the cost was spread out over the year rather than having to make one large payment. The general feeling at present was that the process is not being managed or monitored effectively enough.

3.5.4. In addition to this, there was some dissatisfaction with the idea of increasing parking fees across the Island as people felt that this would kill our towns and would make it difficult for many to be able to visit the towns regularly. There was a minority view as well which acknowledged that parking prices on Anglesey did not correspond to those in other tourism areas around the United Kingdom and that the prices should be increased to correspond with those prices.

3.6. **General Efficiency Savings** is the next theme which includes 5 proposals with a value of £1,135,000.

3.6.1. This theme drew a different response to the previous ones where the responses were quite balance and two-sided.

3.6.2. Indeed, the response to this theme was quite firm against the proposal of further cuts to culture grants which would affect organisations such as Ucheldre, area newspapers and Cwmni'r Frân Wen.

3.6.3. There were many responses to this, almost a hundred (100) e-mails were received over the Christmas period rejecting this proposal, and several noted the importance of these grants to the culture of the area and our language and the need to not only protect them but also to take advantage of opportunities to increase them.

3.6.4. The youth groups acknowledged that such a cut would impact on the older generation.

3.6.5. Feelings have been so clear against this proposal that the Leader has replied on e-mail to most of the respondents to inform them of the next steps, and the fact that the Scrutiny Committee, as well as the Executive Committee, will be discussing the matter before a decision will be made by the full Council at the end of February.

3.6.6. There isn't a strong feeling for or against the remaining proposals but it was encouraging to hear from the partnerships focus group that there should be further opportunities to collaborate on associated matters which would consequently benefit the Council and other organisations.

3.7. **Service Transformation or change of provision** was a theme which attracted a number of responses objecting to one of the relevant proposals.

3.7.1. The proposals under this theme varied from employing an in-house plumber to reducing subcontractor costs, to reducing the budget for street lighting maintenance costs, to improving the management of and making more effective use of various functions together with collaboration with the current music providers so as to provide lessons in a way that would reduce the management costs.

3.7.2. The total proposed savings here was - £326,000.

3.7.3. The responses to most of the proposals in question here were also well-balanced with many supportive while others questioned them more. For example, partners acknowledged that it was a good idea to highlight the aim and the need to ensure that more clients are able to stay in their own homes, but in making these decisions it should be analysed what impact this aim would have on Health and the emergency services.

3.7.4. Most, if not all of the responses, agreed with the aspiration to reduce the street lighting costs, with many identifying further ideas in terms of how we could make further savings in this field.

3.7.5. The element of improving the management and making more efficient use of beach wardens was also acknowledged as an area where we could collaborate further with other organisations for everyone's benefit. Natural Resources Wales's willingness to partake in this discussion regarding partnership working was noted.

3.7.6. The one proposal that stood out from those proposed under this theme was the proposal with regard to changing the current music provision in order to reduce management costs. A large number of responses (around 100) were received objecting to this proposal, and the greatest concern in each of the responses was the uncertainty regarding the impact this change would have on the provision for the children of the island. Correspondence was received from parents, the Gwynedd and Anglesey Schools Music Service, and young people who had benefitted from the provision in the past.

3.7.7. It appears from this response that the Council has a lot of work to do if we are to continue with this change and convince the associated individuals and organisations of our aim to ensure that such a change will not lead to an adverse impact on the provision.

**3.8. *Cessation or Transfer of Services*** – this theme included 6 proposals that varied from closing Plas Penlan Home, to no longer attending the Anglesey County Show, to reducing public transport costs and transferring public toilets to others to run.

3.8.1. The total proposed savings here as they stand are - £276,000.

3.8.2. There was a fairly positive response to these savings and the responses agreed with most of them.

3.8.3. The one area where concerns were raised was the proposal for transferring public toilets to others – several noted that it is essential that these are kept open and that charging for their use could be one way of doing this. The general feeling noted (by everyone including young people) with regard to this proposal is how important these facilities are to us as a tourism destination.

3.8.4. The proposal with regard to ending the Council's attendance at the Anglesey Show drew a balanced response, with some noting that it is a good idea and should have been done a long time ago, whilst others noted that it is important that the Council has a strong presence in the Show every year.

**3.9. *Council Tax – a further 4% increase or an additional 1% for protecting social services***

3.9.1. As part of the consultation this year, the residents were asked whether they would be happy or willing to see a 4% increase in their Council tax charges and if they were willing, would they be happy to see an additional increase of 1% for the purposes of protecting social services.

3.9.2. The response to this question was to be expected, with the majority (72%) against the 4% increase on the basis that living costs are already tough and that any increase in associated costs would make it very difficult for them in their day to day lives. The response also questioned the basis for the increase and what would they receive as a service that is different or new compared to the service they currently receive.

3.9.3. Whilst this response was expected, around 28% of the responses noted that they would be happy with the increase and would see it as beneficial if it meant that services were protected. The Llanfairpwll Community Council agreed with this stance.

#### **4. Final Conclusion**

4.1. To close therefore, it seems from the responses to the types of savings proposed in respect of the 2018/19 budget, that there is an obvious balance, with some respondents against and some in favour. The above demonstrates some of these tensions and identifies the three most controversial areas, which are:

- 4.1.1.1. *A Council tax increase*
- 4.1.1.2. *A change in the Music provision*
- 4.1.1.3. *A reduction in the cultural grants*

4.1.2. It is also noted here the feeling of frustration felt by the young students towards the proposal of maintaining school costs at the same rate as last year which will mean that schools will have to shoulder the increased costs of £563,000. This is noted in the conclusion on the basis that it is one of the largest saving proposals identified as part of the consultation.

**4.1.3. Based on these conclusions, it is recommended that the Scrutiny Committee and Executive Committee consider the response as part of their discussions before making final recommendations, and that the Corporate Scrutiny Committee's Finance Panel considers further the areas of savings that have been proposed by our citizens as the first part of the process for setting the 2019/20 budget.**

## 2018 / 19 Revenue Budget Savings to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Highways, Waste & Property	Administration & Works Staffing	Reduce staffing within the Highways Service as posts become vacant.	Not Required	116
Highways, Waste & Property	Public Transport : Contract Costs	Reduce public transport costs by removing one service between Beaumaris & Bangor.	EIA1	15
Highways, Waste & Property	Car Parks : Income	Increase the car park fee at Llanfair PG Park & Ride from 20p per day to 50p per day.	Not Required	5
Highways, Waste & Property	Street Lighting : Maintenance	Reduce the street lighting repairs and maintenance budget as a result of the increased investment in LED lighting.	Not Required	20
Highways, Waste & Property	Fleet : Transport	Reduce vehicle / transport costs through the increased use of electric and LPG vehicles and by making greater use of contract hire vehicles.	Not Required	40
Highways, Waste & Property	Smallholdings : Income	Increase the income from the Smallholdings estate by changing the tenancy agreement for new tenants.	Not Required	25
Highways, Waste & Property	Admin Buildings : Supplies & Services	Reduce cleaning material costs across Council buildings.	Not Required	25
Highways, Waste & Property	Industrial Unit : Rents	Increase the income from the Council's Industrial Units when renewing contracts and lease agreements.	Not Required	35
Highways, Waste & Property	Admin Buildings : Repairs & Maintenance	Employ an in-house plumber to undertake routine maintenance work instead of using sub-contractors.	Not Required	20
Highways, Waste & Property	Property Administration : Staffing	Reduce staffing within the Property Service.	Not Required	35
Highways, Waste & Property	Public Conveniences : Running Costs	Transfer public conveniences to other organisations.	Not Required	30
<b>Total for Highways, Waste &amp; Property</b>				<b>366</b>

## 2018 / 19 Revenue Budget Savings to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Adult Services	Residential Care : Running Costs / Contract Payments	Following the opening of the Hafan Cefni Extra Care scheme, close Plas Penlan. Savings generated from both the closure of the home and the fact that residents who would previously have been placed in a residential / nursing home are placed at Hafan Cefni where the care cost per head is lower.	EIA2	190
Adult Services	Client Care : Contract payments	Increase the number of clients purchasing care via direct payments by 10 clients.	Not Required	30
Adult Services	Residential Care : Contract Payments	Change the service provision with the aim of allowing more clients to be supported in their own homes or in extra care provision rather than being placed into residential care.	EIA3	92
Adult Services	Homecare : Contract Payments	Manage the demand for homecare service by promoting greater community and personal support networks to enable people to remain independent. Aim of reducing the overall care hours by %.	EIA4	38
<b>Total for Adult Services</b>				<b>350</b>
Learning & Culture	Oriel Ynys Môn : Income	Increase the Oriel Ynys Môn income through a greater emphasis on marketing.	Not Required	15
Learning & Culture	Central Education : Contract Payments	Reduce the management costs for the music tuition service by reviewing the commissioning arrangements in cooperation with current tutors whilst maintaining the current service to children.	EIA6	79
Learning & Culture	Central Education : Staffing	Reduce central staffing costs within the Learning Service.	Not Required	30
Learning & Culture	Libraries : Running Costs	Transform the Library Service – reduction in part time libraries.	Not Required	48
Learning & Culture	Delegated Schools Budget : Grounds Maintenance	Retender the schools' grass cutting contracts into smaller lots in order to obtain lower prices by April 2018.	Not Required	50
Learning & Culture	Central Education : Income	Increase the fee for the Morning Care Club from £0.75 to £1.00.	EIA9	15

## 2018 / 19 Revenue Budget Savings to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Learning & Culture	Central Education : Staffing	Incorporate two separate roles within the Learning Service into one post.	Not Required	21
Learning & Culture	Delegated Schools Budget : ALN Budget	Reduce the ALN budget delegated to schools through the formula.	EIA10	100
<b>Total for Learning &amp; Culture</b>				<b>358</b>
Regulation and Economic Development	Holyhead Leisure Centre : Income	Outsource the café at Holyhead Leisure Centre	Not Required	5
Regulation and Economic Development	Maritime : Staffing	Improve the management and effectiveness of the Beach Wardens and Slipway Attendants.	Not Required	20
Regulation and Economic Development	Public Protection : Income	Increase income budgets for Public Protection as a result of changes to legislation.	Not Required	18
Regulation and Economic Development	Public Protection : Supplies and Services	General efficiency savings on expenditure budgets.	Not Required	12
Regulation and Economic Development	Planning, Public Protection & Economic Development : Staffing	Rationalise capacity within Planning, JPPU, Public Protection and Economic Development.	Not Required	70
<b>Total Regulation and Economic Development</b>				<b>125</b>
Housing Services	Housing : Income	Review the staffing costs paid by the HRA.	Not Required	10
Housing Services	Housing : Income	Increase the fee for EPC work.	Not Required	4
Housing Services	Housing : Income	Increase the fee charged to Housing Associations for administering nominations.	Not Required	4
Housing Services	Housing : Income	Charge a management fee on any grants received by the Service for any statutory activities.	Not Required	5
<b>Total for Housing Services</b>				<b>23</b>
Resources	Internal Audit : Staffing	Delete the Counter Fraud Officer Post.	Not Required	24
<b>Total For Resources</b>				<b>24</b>
Transformation	Communications : Supplies & Services	Reduce the costs of having a presence at the Anglesey Show.	Not Required	2

## 2018 / 19 Revenue Budget Savings to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Transformation	Communications : Income	Generate income by selling advertising space on the Council's website	Not Required	6
Transformation	Performance : Staffing	Delete vacant post from the establishment.	Not Required	21
Transformation	IT : Consultancy	Reduce IT consultancy costs.	Not Required	5
Transformation	HR : Training	Reduce management training budget.	Not Required	3
Transformation	HR : Travelling	Reduce HR travelling allowances budget.	Not Required	2
Transformation	HR : Income	Generate additional income by providing HR consultancy	Not Required	1
<b>Total For Transformation</b>				<b>40</b>
Corporate	Corporate Management : Staffing	Remove Surplus Budget.	Not Required	45
Corporate	Anglesey / Gwynedd Partnership : Contribution	Remove Surplus Budget.	Not Required	60
Corporate	Risk Management : Supplies & Services	Remove Surplus Budget.	Not Required	31
Corporate	Corporate & Democratic : Pension Costs	Reduce budget to reflect a reduction in the number of pensioners.	Not Required	100
Corporate	Capital Financing : MRP	Review the MRP policy.	Not Required	1,000
<b>Total For Corporate</b>				<b>1,236</b>
<b>TOTAL SAVINGS PROPOSALS</b>				<b>2,522</b>



## 2018 / 19 Revenue Budget Savings Not to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Adult Services	Catering : Running Costs	Cater for the residential homes from 2 kitchens with the long term aim of reducing down to 1 kitchen.	EIA5	100
Learning & Culture	Culture : Grants	Further reductions in the level of culture grants to organisations such as Canolfan Ucheldre, Cwmni Frân Wen and community newspapers.	EIA7	20
Learning & Culture	School Transport : Income	Increase the fee for bus passes under the Vacant Seat Scheme by 10% (£12) for bus journeys within 3 miles of secondary schools and 2 miles of primary schools.	EIA8	10
Learning & Culture	Delegated Schools Budgets	Maintain the school budget at the 2017/18 level by requiring schools to fund the cost of pay awards and inflation from existing budgets.	EIA10	563
Learning & Culture	School Buildings : Repairs & Maintenance	Delegate more of the budget to schools and allow the schools to procure their own repairs and maintenance work.	Not Required	100
<b>TOTAL OF SAVINGS NOT IMPLEMENTED</b>				<b>793</b>

**FINAL BUDGET PROPOSAL 2018/19 BY SERVICE**

**APPENDIX 4**

	<b>Standstill Budget Following Provisional Settlement</b>	<b>Adjustment to Standstill</b>	<b>Savings</b>	<b>Budget Pressures</b>	<b>Final Proposed Budget 2017/18</b>
	£	£	£	£	£
Education and Culture	48,969,980	(28,300)	(358,000)	-	48,583,680
Adult Services	24,962,080	(212,870)	(350,000)	172,000	24,571,210
Children's Services	8,224,270	(64,290)	-	-	8,159,980
Housing Services	1,006,120	(62,610)	(23,000)	-	920,510
Highways, Waste and Property	14,958,530	(124,320)	(366,000)	180,000	14,648,210
Economic and Community Regeneration	3,974,270	(153,050)	(125,000)	-	3,696,220
Corporate Transformation	3,920,840	643,850	(100,000)	-	4,464,690
Resources (incl. Benefits Granted)	2,945,957	(215,610)	(24,000)	-	2,706,347
Council Business	1,547,100	(52,140)	-	-	1,494,960
Corporate Management	729,300	(27,510)	(45,000)	-	656,790
<b>Total Service Budgets</b>	<b>111,238,447</b>	<b>(296,850)</b>	<b>(1,391,000)</b>	<b>352,000</b>	<b>109,902,597</b>
Corporate and Democratic Costs	1,945,830	1,273,740	(131,000)	-	3,088,570
Recharges to HRA	(621,950)	-	-	-	(621,950)
Levies	3,378,031	(17,704)	-	-	3,360,327
Capital Financing	8,511,462	-	(1,000,000)	-	7,511,462
Discretionary Rate Relief	60,000	-	-	-	60,000
Council Tax Reduction Scheme	5,524,000	-	-	-	5,524,000
<b>Total Allocated Budgets</b>	<b>130,035,820</b>	<b>959,186</b>	<b>(2,522,000)</b>	<b>352,000</b>	<b>128,825,006</b>
General & Other Contingencies	2,301,278	(610,978)	-	87,500	1,777,800
Children's Services Contingency	-	-	-	267,853	267,853
<b>Total Budget 2018/19</b>	<b>132,337,098</b>	<b>348,208</b>	<b>(2,522,000)</b>	<b>707,353</b>	<b>130,870,659</b>
<b>Funded By</b>					
Revenue Support Grant	72,306,940	930,698	-	-	73,237,638
Non Domestic Rates	22,617,197	(42,998)	-	-	22,574,199
Council Tax Inc. Council Tax Premium	35,202,173	(336,651)	-	267,853	35,133,375
Council Reserves	-	-	-	-	-
<b>Total Funding</b>	<b>130,126,310</b>	<b>551,049</b>	<b>-</b>	<b>267,853</b>	<b>130,945,212</b>
<b>Balance to General Contingency</b>					<b>74,553</b>



Isle of Anglesey County Council – **Budget Proposals 2018/19 Impact Assessment Template**

<b>Revision history:</b>		
<b>Version</b>	<b>Date</b>	<b>Summary of changes</b>

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Cut an entire bus journey operating from Monday to Saturday (0713 journey from Amlwch to Llangefni – service 32). Not operate the following journeys on Saturdays: 1234 from Llannerch-y-medd to Bangor, 1418 from Bangor to Llannerch-y-medd, 1532 from Carmel to Bangor and 1640 from Bangor to Rhos-y-bol (service 63).
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Iwan Cadwaladr
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	New proposal.
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Bus passengers will be effected by this proposal.
<b>5 – How will this group of stakeholders be effected?</b>	The above journeys will not be available to passengers.

**Step 1: The Proposal and Associated Risks**

<b>6 – Are you aware of any other proposal which could affect this group?</b>	Not aware of any other proposal.
<b>7 – Are there any risks associated with this proposal?</b>	The regular passengers on the journeys in question will no longer be able to use them.
<b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b>  <b>e.g.</b> decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.	Not aware.
<b>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</b>	Do not anticipate that a further consultation exercise will be required.

<b>Step 2: Assessment Result</b>	
<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	<p>By cutting the journeys in question it would result in the regular passengers being affected. Due to a reduction in the number of vehicles operating contract 53D (operating Bangor – Beaumaris – Bangor) and due to this a substantial reduction in price there is no need to proceed with the decision to cut the 5 journeys in question.</p>
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>No need to cut the 5 journeys in question. The changes to the journeys operating under contract 53D (operating Bangor – Beaumaris – Bamgor) have taken place since Monday 9<sup>th</sup> October 2017.</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p> <p>(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)</p>	<p>No need to proceed with the decision to cut the 5 journeys in question due to the changes to the journeys operating under contract 53D (operating Bangor – Beaumaris – Bangor).</p>

**Step 5: Action Plan**

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale





Isle of Anglesey County Council – **Budget Proposals 2018/19 Impact Assessment Template**

<b>Revision history:</b>		
<b>Version</b>	<b>Date</b>	<b>Summary of changes</b>
1	29.01.18	Original

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Extra Care Housing Development in Llangefni – Hafan Cefni which changes the current existing provision and increases the opportunities for people to have care in their own housing or extra care housing
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Alwyn Rhys Jones
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	New
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	<p>Internal Stakeholders  Staff IOACC (such as Social workers, Housing Officers, Occupational Therapists etc)  Staff of Pennaf Group  Plas Penlan Staff  Local Elected Members</p> <p>External Stakeholders:  Plas Penlan residents and families / carers</p>

<b>Step 1: The Proposal and Associated Risks</b>	
	<p>Service Users from the local area            Families / Carers of Service Users            Service Providers and Care workers who will manage the dom care support services            Health Professional (GP's, Nurses, Physiotherapists, Ot's etc)</p>
<b>5 – How will this group of stakeholders be effected?</b>	<p>This group of people will be affected by the change as there will be an opportunity for some to move directly to Hafan Cefni / others will be affected by changing local provision locally / families will have to deal with the change and staff and service providers will have to cope with new arrangements</p>
<b>6 – Are you aware of any other proposal which could affect this group?</b>	<p>No</p>
<b>7 – Are there any risks associated with this proposal?</b>	<p>Risk of people reluctant to change their current lifestyle with increased anxiety levels when changing            Risk that the replacement model of the new provision (Hafan Cefni) has an impact on the savings if not appropriately filled</p>
<p><b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b></p> <p>e.g. decreasing investment in road maintenance might cause greater number of potholes which may cause</p>	<p>Risk of increasing demand on support services (health a.s.o) – i.e. greater demand in the community as more people can live independently</p>

<b>Step 1: The Proposal and Associated Risks</b>	
greater number of insurance claims.	
<b>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</b>	No, comprehensive consultation has already taken place and promotional events of the new provision at work have been taking place regularly.

<b>Step 2: Assessment Result</b>	
<b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b>	<p>The main effect of the change is that individuals can continue to live independently in a coherent way without the public sector's intervention.</p> <p>In terms of the risks we will -</p> <ul style="list-style-type: none"> <li>• continue regular discussions with Pennaf regarding the expectations of completing the new provision</li> <li>• Continue to handle and discuss issues relating to change in provision with the relevant individuals and their families</li> <li>• Inform the local Elected Member of the change and what is being done to manage the requirement</li> <li>• Work more closely with the Health Board and communities to enable individuals to receive the necessary community support e.g. community hubs etc</li> </ul>

<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>This change matches the expectations of the new wellbeing acts</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p> <p>(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)</p>	<p>No</p>

### Step 5: Action Plan

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale

## Isle of Anglesey County Council – Budget Proposals 2018/19 Impact Assessment Template

<b>Revision history:</b>		
<b>Version</b>	<b>Date</b>	<b>Summary of changes</b>
1	30.01.18	Original

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Change the service provision with the aim of ensuring that more clients can stay in their own homes or our placed in extra care homes rather than being placed in residential homes
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Alwyn Rhys Jones
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	The proposal is a new proposal for Isle of Anglesey County Council but the service delivery model proposed is consistent with the implementation of the Socail Services and Wellbeing Act
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Older People Individuals with disabilities
<b>5 – How will this group of stakeholders be effected?</b>	In the majority of cases we will be delivering the change when dealing with new cases that come to our attention. As a result the majority of individuals will not see a definite change but the individual’s experience when coming into contact with the service will change

<b>Step 1: The Proposal and Associated Risks</b>	
	The results for individuals will be that it is more likely to offer reablement service or support and support and signposting to community resources, a placement in an extra care home and not long term placement in a residential home
<b>6 – Are you aware of any other proposal which could affect this group?</b>	Attempting to reduce the number of people in residential care and supporting them to live independently in the community or in extra care homes
<b>7 – Are there any risks associated with this proposal?</b>	<p>A risk of an increase in the number of older people will reduce the effect of this change in approach</p> <p>There is a risk that communities and families cannot offer the level of support required to make this succeed</p>
<p><b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b></p> <p>e.g. decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.</p>	A risk of an increase in the demand for support services i.e. more demand for services in the community as more people can live independently

**Step 1: The Proposal and Associated Risks**

<p>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</p>	<p>No but there will be a need to ensure that our assessment processes meet the statutory requirements</p>
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**Step 2: Assessment Result**

<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	<p>Change in the service offered to the public</p> <p>By ensuring a consistent and fair response we will mitigate the associated risks</p>
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>This change is in line with the requirements of the new wellbeing act</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p>	<p>No</p>

(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)

### Step 5: Action Plan

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale



## Isle of Anglesey County Council – Budget Proposals 2018/19 Impact Assessment Template

Revision history:		
Version	Date	Summary of changes
1	30.01.18	Original

Step 1: The Proposal and Associated Risks	
<b>1 - What is the budget proposal you are assessing?</b>	<p>Manage the demand for homecare by encouraging community participation and network of individuals to support clients to remain independent</p> <p>Our homecare service currently offered is a significant part of the current service provision offered by social services. Gradually over time we are trying to change the service offered to give a stronger focus on “what is important to the individual” which is considered in their personal assessment. It is recognising this change which this proposal does</p>
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Alwyn Rhys Jones
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	The proposal is a new proposal for Isle of Anglesey County Council but the service delivery model proposed is consistent with the implementation of the Socail Services and Wellbeing Act
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Older People Individuals with disabilities

<b>Step 1: The Proposal and Associated Risks</b>	
<b>5 – How will this group of stakeholders be effected?</b>	<p>In the majority of cases we will be delivering the change when dealing with new cases that come to our attention. As a result the majority of individuals will not see a definite change but the individual’s experience when coming into contact with the service will change</p> <p>The results for individuals will be that it is more likely to offer reablement service or support and support and signposting to community resources and not long term service provision</p>
<b>6 – Are you aware of any other proposal which could affect this group?</b>	<p>Attempting to reduce the number of people in residential care and supporting them to live independently in the community or in extra care homes</p>
<b>7 – Are there any risks associated with this proposal?</b>	<p>A risk of an increase in the number of older people will reduce the effect of this change in approach</p> <p>There is a risk that communities and families cannot offer the level of support required to make this succeed</p>
<b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b>  <b>e.g.</b> decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.	<p>No – none more than those already identified</p>

**Step 1: The Proposal and Associated Risks**

<p>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</p>	<p>No but there will be a need to ensure that our assessment processes meet the statutory requirements</p>
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**Step 2: Assessment Result**

<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	<p>Change in the service offered to the public</p> <p>By ensuring a consistent and fair response we will mitigate the associated risks</p>
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>No</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p>	<p>No</p>

(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)

### Step 5: Action Plan

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale

**Isle of Anglesey County Council – Budget Proposals 2018/19 Impact Assessment Template**

<b>Revision history:</b>		
<b>Version</b>	<b>Date</b>	<b>Summary of changes</b>
1	29.01.18	Original

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Reduce the number of kitchens that prepare meals for the residents of the County Council's internal care homes to 2 or 3
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Alwyn Rhys Jones
<b>3 – Is this a new proposal or one that's been previously considered?</b>	The changes were considered last year. This is a more definite proposal and reduces the number of kitchens to 2 or 3
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Older People Officers and staff of the Council
<b>5 – How will this group of stakeholders be effected?</b>	Older People – The meals that will be prepared to the homes will come from either 2 or 3 kitchens, with the meals being transported  Staff – A reduction in the number of staff required to support catering

<b>Step 1: The Proposal and Associated Risks</b>	
<p><b>6 – Are you aware of any other proposal which could affect this group?</b></p>	<p>Closing of Plas Penlan will affect the catering staff there</p>
<p><b>7 – Are there any risks associated with this proposal?</b></p>	<p>A risk of a deterioration in the quality of the meals being offered</p>
<p><b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b></p> <p><b>e.g.</b> decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.</p>	<p>There may be some impact on the food suppliers as there will be an opportunity to order food more effectively with less waste</p>

**Step 1: The Proposal and Associated Risks**

<p>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</p>	<p>There will be a need to ensure that our assessment process meets the requirements for consulting with staff. In addition there will be a need to inform the residents affected.</p>
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**Step 2: Assessment Result**

<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	<p>Change the catering offered in our homes To mitigate this it will be necessary that the new process continues to offer nourishing meals on time and to ensure a suitable service provision</p> <p>There will be a need to ensure a proper consultation process with the staff affected by the proposal.</p>
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>Not anticipating these type of effects</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this</b></p>	<p>No</p>

<p><b>impact assessment?</b></p> <p>(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)</p>	
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**Step 5: Action Plan**

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale



**Isle of Anglesey County Council – Budget Proposals 2018/19 Impact Assessment Template**

<b>Revision history:</b>		
<b>Version</b>	<b>Date</b>	<b>Summary of changes</b>
1	29.01.18	Original

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	The Local Authority currently pay £60k per annum to the William Mathias Music Service to administer and offer a music service to Anglesey's schools. This is done in partnership with Cyngor Gwynedd who also contribute a sum towards the administration of the service on behalf of their schools. In addition, the schools pay a fee which is now slightly higher than the fees in other counties following their move to create a co-op of music tutors instead of commissioning William Mathias Music service. The proposal is to create a co-op for Anglesey in place of the traditional arrangement. This will also lead to savings for schools of approximately £19k
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Delyth Wyn Molyneux
<b>3 – Is this a new proposal or one that's been previously considered?</b>	This is a new proposal for the Isle of Anglesey County Council but the delivery model proposed has been introduced in another county and savings were achieved as a result
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Cyngor Gwynedd (who ar part of the current agreement) William Mathias Music Service and the staff Partners who will establish a administer the co-op scheme Anglesey schools who receive the service

**Step 1: The Proposal and Associated Risks**

<b>5 – How will this group of stakeholders be effected?</b>	<p>The evidence from the County that is already using this proposed delivery model have noted that it has not had an adverse effect on the performance of the service. In addition the evidence presented by them shows that the change has resulted in improvements to the current arrangements. It has also been recognised that it provides an opportunity to make savings in administration for the local authority and allows expenditure to be prioritised within the department on statutory aspects.</p> <p>A change is our agreement with Cyngor Gwynedd</p> <p>Schools paying less in fees for the service</p> <p>It will have a significant impact on staff but there will be discussions / an offer to move to be part of the co-op rather than be employed by William Mathias</p> <p>The proposed arrangement ensures one access to the music service that is present in schools.</p>
<b>6 – Are you aware of any other proposal which could affect this group?</b>	No.
<b>7 – Are there any risks associated with this proposal?</b>	The risk of a lack of public support

<b>Step 1: The Proposal and Associated Risks</b>	
<p><b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b></p> <p>e.g. decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.</p>	No more than has been identified already
<p><b>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</b></p>	No but it will be necessary to consult with the stakeholders most affected by the decision.

<b>Step 2: Assessment Result</b>	
<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	To give notice to the partners that the cut is possible.
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	No

<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p> <p>(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)</p>	<p>No</p>

**Step 5: Action Plan**

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale

## Isle of Anglesey County Council – Budget Proposals 2018/19 Impact Assessment Template

Revision history:		
Version	Date	Summary of changes
1	23/10/17	Original

Step 1: The Proposal and Associated Risks	
<b>1 - What is the budget proposal you are assessing?</b>	Reduce the sum that is distributed to organisations as small grants
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Delyth Wyn Molyneux
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	These grants have been reduced since 2015-2016, when the grant to the Ucheldre Centre and Cwmni Fran Wen was cut and small cuts to a number of organisations that receive small sums e.g. community papers, scouts, guides Eryri sports etc. The proposal is to make a further cut of £20,000, This will leave £40,000 as a remaining budget.
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Organisations that depend on this grant as a contribution towards their work e.g. Canolfan Ucheldre, Theatr Bara Caws, voluntary organisations and community papers.
<b>5 – How will this group of stakeholders be effected?</b>	A reduction in the grant from the Local Authority to the organisations activities. A reduction in the core funding received from the Local Authority can impact on Theatr Bara Caws and Canolfan Ucheldre’s ability to offer “match” funding when making grant applications for external grants

<b>Step 1: The Proposal and Associated Risks</b>	
<b>6 – Are you aware of any other proposal which could affect this group?</b>	No
<b>7 – Are there any risks associated with this proposal?</b>	The organisations will be facing a financial challenge to fill the funding gap which will arise as a result of the cut to the small grants
<b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b>  e.g. decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.	No more than those already identified
<b>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</b>	No but it will be necessary to consult further with the organisations most affected by the decision, to enable them sufficient time to consider the impact and to identify other funding sources, if possible.

<b>Step 2: Assessment Result</b>	
<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	<p>Giving the organisations as much advanced warning of the cut as possible</p>
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>No it is not possible to avoid the impact</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p> <p>(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)</p>	<p>No</p>

**Step 5: Action Plan**

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale





## Isle of Anglesey County Council – Budget Proposals 2018/19 Impact Assessment Template

Revision history:		
Version	Date	Summary of changes
1	23/10/17	Original

Step 1: The Proposal and Associated Risks	
<b>1 - What is the budget proposal you are assessing?</b>	Raise the fee for vacant seats on school buses by 10% in accordance with the agreement by the Executive when the policy was adopted in 2014
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Delyth Wyn Molyneux
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	No the fee has been raised by approximately 10% each year
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Some parents will refuse to pay the increased fee for the bus pass
<b>5 – How will this group of stakeholders be effected?</b>	Raising the fee from £108 to £118 for the year

**Step 1: The Proposal and Associated Risks**

<b>6 – Are you aware of any other proposal which could affect this group?</b>	No
<b>7 – Are there any risks associated with this proposal?</b>	Some may choose not to use the service as a result of the increase but the service will continue to be offered
<b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b>  <b>e.g.</b> decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.	No more than those already identified
<b>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</b>	No

<b>Step 2: Assessment Result</b>	
<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	<p>Give advanced warning of the intention to raise the fees</p>
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>No it is not possible to avoid the impact</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p> <p>(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)</p>	<p>No</p>

**Step 5: Action Plan**

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

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**Isle of Anglesey County Council – Budget Proposals 2018/19 Impact Assessment Template**

<b>Revision history:</b>		
<b>Version</b>	<b>Date</b>	<b>Summary of changes</b>
1	23/10/17	Original

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Raise the fee for the morning care club, before the Breakfast Club which will continue to be free. The current fee is 75p per day for 25 minutes of care. The proposal is to raise the fee to £1 per day in order that the fee contributes a higher proportion of the actual staffing costs for this period of the day.
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Delyth Wyn Molyneux
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	This is a new proposal. This is the second year of charging this fee and it is timely to review the fee in order that it represents the true staffing costs, as the fee does not cover the costs at present
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	The parents that choose to bring their children to school by 8 am to receive care will be affected by this increase. As the care of children is at least £5 per hour (with the majority being between £7 and £10), £1 is significantly lower.
<b>5 – How will this group of stakeholders be effected?</b>	The majority of parents who choose to drop off their children by 8 are in work and the cost will increase for this group

**Step 1: The Proposal and Associated Risks**

<b>6 – Are you aware of any other proposal which could affect this group?</b>	No
<b>7 – Are there any risks associated with this proposal?</b>	Some may choose not to use the service but this is unlikely as the fee is still cheaper than nurseries offer for the service
<b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b>  <b>e.g.</b> decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.	No more than those already identified
<b>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</b>	No



<b>Step 2: Assessment Result</b>	
<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	<p>Give advanced warning of the intention to raise the fees</p>
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>No it is not possible to avoid the impact</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p> <p>(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)</p>	<p>No</p>

**Step 5: Action Plan**

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale



## Isle of Anglesey County Council – Budget Proposals 2018/19 Impact Assessment Template

Revision history:		
Version	Date	Summary of changes
1	23/10/17	Original

Step 1: The Proposal and Associated Risks	
<b>1 - What is the budget proposal you are assessing?</b>	Top keep the school's budget at the 17/18 level with the schools absorbing the cost of pay and price inflation from this budget
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Delyth Wyn Molyneux
<b>3 – Is this a new proposal or one that's been previously considered?</b>	New proposal
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	This will impact on the level of staffing within schools and will lead to staffing reductions
<b>5 – How will this group of stakeholders be effected?</b>	A reduction of £563,000 is equivalent to a reduction of 6 teaching posts across the 2 sectors

<b>Step 1: The Proposal and Associated Risks</b>	
<b>6 – Are you aware of any other proposal which could affect this group?</b>	Budget reductions in Repairs and maintenance budgets (£100,000) and grounds maintenance budgets (£50,000) have also been proposed
<b>7 – Are there any risks associated with this proposal?</b>	This could lead to an increase in class sizes across the primary, secondary and special sectors (if the budget cut is allocated equally across each sector).
<b>8 – Would there be any associated risks if a decision was taken to agree to the proposal</b>  e.g. decreasing investment in road maintenance might cause greater number of potholes which may cause greater number of insurance claims.	No more than those already identified
<b>9. Do you anticipate a further consultation exercise will need to be undertaken (i.e. in addition to the corporate one) before implementing the decision</b>	Each school and Governing Body affected will have to consider implementing the process to reduce staff numbers

<b>Step 2: Assessment Result</b>	
<p><b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b></p>	<p>School class sizes will increase in some schools as a result of the reduction in the delegated schools budget or the range of subject choice options will reduce in KS4 and/or post 16</p>
<p><b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b></p>	<p>No, it is not possible to avoid the budget cut but some Headteachers can choose to reduce other budget headings and protect the staffing levels, although this will not be possible in a number of cases</p>
<p><b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b></p> <p>(this assessment could provide evidence that the proposal is illegal. If you have identified such impact then consideration should be taken as to whether to continue with the proposal at this time)</p>	<p>No – if the Education Service are going to deliver the necessary level of savings</p>

**Step 5: Action Plan**

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Ref	Proposed actions	Lead officer	Timescale

