

## ISLE OF ANGLESEY COUNTY COUNCIL

<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>18 FEBRUARY 2019</b>
<b>SUBJECT:</b>	<b>MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2019/20</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR R WILLIAMS</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 2019/20 REVENUE BUDGET

##### 1.1 Purpose

The Executive is required to agree a number of key matters in respect of the 2019/20 budget. This will then allow the final recommendations to be presented to the full Council at its meeting on 27 February 2019. The matters requiring agreement are:-

- The Council's Revenue Budget and resulting Council Tax for 2019/20;
- 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 2019/20 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. 2019/20 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 8 of Appendix 1 and Appendix 3;

- To determine how the proposed reduction in the delegated schools' budget is allocated between the 3 sectors as set out in Section 9.5 of Appendix 1;
- To note the Section 151 Officer's recommendation that a minimum of £6.7m general balances is maintained for 2019/20;
- To note the comments made by the Section 151 Officer on the robustness of the estimates made as set out in Section 6 of Appendix 1;
- To recommend a net budget for the County Council 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 27 February 2019;
- 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 9.5% increase in level of the Council Tax;
- To approve the increase in the Council Tax Premium for second homes from 25% to 35% and to approve the increase in the Council Tax Premium for empty homes from 25% to 100%.

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

A number of options were considered following the issue of the initial budget proposals. The final budget proposals take account of the final local government settlement, views expressed during the consultation process and the views of the Scrutiny Committee

**C - Why is this a decision for the 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 4 February 2019. An update is provided in Section 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 and 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 – Breakdown of the Proposed Savings</li> <li>• Appendix 4 – Summary of the Proposed Revenue Budget 2019/20 by Service</li> <li>• Appendix 5 – Individual Equality Impact Assessments (EA1 – EA8)</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 2019/20 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 Plan as approved by the Executive Committee in September 2018 and can be summarised as follows:-

**Table 1**  
**Medium Term Financial Plan 2019/20 to 2021/22**

	2019/20 £'m	2020/21 £'m	2021/22 £'m
Net Revenue Budget B/F	130.95	131.73	133.59
Budget Pressures and Inflation	5.78	3.91	4.24
<b>Revised Budget</b>	<b>136.73</b>	<b>135.64</b>	<b>137.83</b>
Aggregate External Finance (AEF)	94.85	94.85	94.85
Council Tax	36.88	38.74	40.67
<b>Total Funding</b>	<b>131.73</b>	<b>133.59</b>	<b>135.52</b>
<b>Savings Required</b>	<b>5.00</b>	<b>2.05</b>	<b>2.31</b>
<b>Main Assumptions</b>			
Pay Awards – Non Teaching	3.1%	2.0%	2.0%
Pay Awards - Teaching	2.0%	2.0%	2.0%
Teachers Pension	12.3%	0.0%	0.0%
General Inflation	2.1%	2.1%	2.0%
Reduction in AEF	-1.0%	0.0%	0.0%
Increase in Council Tax	5.0%	5.0%	5.0%

- 1.3. The Executive considered its initial budget proposals at its meeting on 12 November 2018 and approved the initial Standstill Budget at £137.402m and, based on the provisional settlement, the budget gap, before an increase in Council Tax or the application of budget savings of £7.156m was identified. The draft proposals identified potential revenue savings of £3.747m, leaving a gap of £3.409m to be funded from an increase in Council Tax.
- 1.4. The Executive proposed to increase the premium for empty properties to 100% and for second homes to 35% and, after allowing for additional funds to be allocated to schemes to help first time buyers, an additional £690k would be generated. The remaining budget gap would require an increase in Council Tax of 7.55%.

## 2. THE COUNCIL'S CONSULTATION

- 2.1. The Council published its budget proposals on 7 November 2018 and the consultation period closed on 31 December 2018. 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 2019/20 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 2019/20. This has resulted in a number of changes which are detailed in Table 2 below:-

**Table 2  
Adjustments to Standstill Budget**

	£m	£m
Standstill Budget as at 12 November 2018		137.402
Proposed Budget Savings		(3.747)
<b>Initial 2019/20 Proposed Budget as at 12 November 2018</b>		<b>133.655</b>
<b>Final Adjustments</b>		
Additional funding included in the settlement to compensate for the loss of income following the increase in the savings threshold for clients in residential / nursing care	0.173	
Removal of additional supported accommodation budget – no longer required	(0.140)	
Correction of the Edge of Care Team Budget	(0.088)	
Additional Surplus on Police and Community Council Premiums	(0.048)	
Increase in the Council Tax Reduction Scheme budget to reflect an increase in Council Tax above the 5% previously allowed for	0.225	
Use of Council Tax Premium to fund schemes to help 1st time buyers	0.170	
Fire Service Levy – adjustment due to population changes	(0.025)	
Others Miscellaneous Adjustments	0.001	
<b>Total of Budget Adjustments</b>		<b>0.266</b>
<b>Revised Standstill Budget Requirement as at 18 February 2019</b>		<b>133.921</b>

3.2. The final settlement figures were published by the Welsh Government on 19 December 2018. Across Wales, the Standard Spending Assessment increased by £33.559m from the figure set in the provisional settlement, however, the anticipated Council Tax also increased by £10.942m. In addition, the Welsh Government raised the funding floor so that no Local Authority received a reduction in the AEF of more than 0.3%, compared to the funding floor of 1.0% in the provisional settlement. As a result, the overall AEF for Wales increased by £23.591m from the provisional settlement figure and this, in turn, changed the Council's Aggregate External Finance, with the final figure set at £95.791m, an increase of £0.632m from the provisional figure.

The Council has resolved to set a premium of 100% on homes designated as empty (in excess of the exemption period) and 35% on homes designated as the Council's taxpayers' second home. This premium, along with a Council Tax rise of 6%, would generate the £38.154m required to balance the budget.

- 3.3. As part of the final settlement, the Welsh Government announced an additional £30m grant, to help local authorities deal with the increased demand for Social Care services and a £2.3m grant to help with the cost of adoption services. Anglesey's share of these grants is £670k and £50k respectively. In addition, a £15m grant was announced to fund the cost of additional professional training and support for teachers, from which Anglesey will receive £345k.

#### 4. COUNCIL TAX

- 4.1. The Council's Band D Council Tax charge for 2018/19 was £1,140.21, which was 18<sup>th</sup> from the 22 Authorities in Wales and is lower than the Welsh Average of £1,241. More importantly for Anglesey is the comparison to the 5 other North Wales authorities. This is shown in Table 3 below:-

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

Authority	Band D Charge 2018/19 £	Amount Above / Below Anglesey £	Percentage Above / Below Anglesey %
Anglesey	1,140		
Gwynedd	1,301	+ 161	+ 14.1%
Conwy	1,169	+ 29	+ 2.5%
Denbighshire	1,248	+ 108	+ 9.5%
Flintshire	1,178	+ 38	+ 3.3%
Wrexham	1,093	- 47	- 4.1%

- 4.2. The Council Tax budget for 2019/20 (prior to an increase in the Council Tax but after adjusting for the change in the Council Tax Base and premium) is £35.998m. Therefore, each 1% increase generates an additional £360k.

After taking into account the final settlement figure of £95.791m, the revised budget requirement of £133.921m (see Table 2) would require £38.130m in Council Tax funding. To fund the revised budget requirement, the minimum increase in the level of Council Tax would be 6%, taking the Band D charge to £1,208.61, an increase of £68.40 or £1.31 per week.

- 4.3. Any increase in Council Tax would provide more funding than is required to fund the Revised Standstill budget of £133.921m. The surplus funding can be utilised to as follows:-
- To fund the budget pressures identified in paragraph 8 above;
  - To allow some of the £3.747m of proposed savings to be deferred;
  - To increase contingency budgets, thereby reducing the risk of overspending in 2019/20.
- 4.4. The impact of each 0.5% rise from 6% to 10% is shown in Table 4 below. It should be noted that the level of Council Tax rise is not only important in setting the 2019/20 budget but will also have an impact for 2020/21, as the starting point for the Council Tax will be determined by the rise applied in 2019/20 and this will impact on the rise required in 2020/21.

**Table 4**  
**Impact of an Increase in Council Tax above the Minimum Requirement**

Percentage Increase	Change in Overall Council Funding £'m	Funding Above Requirement to Fund the Revised Budget Requirement (table 2) £'m	Band D Charge 2019/20 £	Increase from 2018/19 Charge £	Weekly Increase from 2018/19 Charge £
6.0%	+ 2.160m	-	1,208.61	+ 68.40	+ 1.31
6.5%	+ 2.340m	+ 0.18m	1,214.19	+ 73.98	+ 1.42
7.0%	+ 2.520m	+ 0.36m	1,220.04	+ 79.83	+ 1.53
7.5%	+ 2.700m	+ 0.54m	1,225.71	+ 85.50	+ 1.64
8.0%	+ 2.880m	+ 0.72m	1,231.47	+ 91.26	+ 1.75
8.5%	+ 3.060m	+ 0.90m	1,237.14	+ 96.93	+ 1.86
9.0%	+ 3.240m	+ 1.08m	1,242.81	+ 102.60	+ 1.97
9.5%	+ 3.420m	+ 1.26m	1,248.57	+ 108.36	+ 2.08
10.0%	+ 3.600m	+ 1.44m	1,254.24	+ 114.03	+ 2.19

- 4.5.** It should be noted that the Cabinet Secretary for Finance made no specific reference in her 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%. In 2018/19, 2 Welsh authorities increased their Council Tax by more than 5% and at least 9 authorities are considering raising their Council Tax by more than 5% in 2019/20, with 1 authority considering an increase in excess of 10%.
- 4.6.** 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 £1,246.94, which is 6.5% higher than the 2018/19 figure.

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

- 5.1.** 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 2018/19 has direct implications for the 2019/20 budget, i.e. will services which are currently overspending face the same budget pressures in 2019/20 and, as a result, will they be able to deliver services within the proposed budget in 2019/20. In addition, any overspend in 2018/19 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 £3.55m is currently being forecast for 2018/19 and this is an important factor to take into consideration. An additional £1.54m has been included into the standstill budget, around £720k will be received in additional grant funding outside the settlement and the services are in the process of implementing projects which are expected to reduce their costs by £460k, leaving a potential overspend in 2019/20 of £0.83m which is unfunded.
  - The demand for Adult Services, Children's Services and additional specialist educational services and associated costs has increased over the past two to three years. The standstill budget is based on the current level of demand but there is still a significant risk that the demand for these services will continue to grow given that we have an ageing population and the improvement in processes within Children's Services which may identify further children which require intervention by the Authority;

- The revised standstill budget for 2019/20 includes savings proposals of £3.747m. If implemented, they will need to be delivered in order to achieve a balanced budget for 2019/20. 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 2.1% 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 2019, 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.
- 5.2.** 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.
- 5.3.** 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.
- 5.4.** 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.
- 5.5.** As at 31 March 2018, the Council's general reserves stood at £6.899m, which is equivalent to 5.3% of the Council's net revenue budget for 2018/19, 7.4% 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 2019/20 standstill revenue budget, this would require a level of general reserves of approximately £6.7m. 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. If the delegated schools budget is taken out of the calculation, the general level of reserves required would be £4.8m.
- 5.6.** During 2018/19, 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:-
- Continued funding of the Energy Island Team - £125k;
  - Funding of Melin Llynonn for the 2018 season - £42k;
  - Funding additional agency social workers in the Children's Team - £268k;
  - Funding improvements to the Mill Bank Car Park - £24k;
  - Additional funding of the pension deficit contribution - £131k.



In addition, it is currently projected that the revenue budget will overspend by £2.35m in 2018/19 which will have to be funded from general reserves. Taking all of these factors into account, it is estimated that the level of general balances will fall to approximately £4m by the end of the 2018/19 financial year, which is equivalent to 3% of the 2019/20 standstill revenue budget.

- 5.7. 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.
- 5.8. It is the professional opinion of the Section 151 Officer that the level of general reserves has now reached a critical point and should not be allowed to fall any further. Having as little as 3% of financial reserves is a financial risk to the Authority and this risk increases the longer the reserves remain at this low level. In the medium term, the Council's financial plan must include budgeting for a surplus which can be used to restore the level of the general reserves back to the minimum figure of £6.7m. It is accepted that this cannot be achieved in one financial year and it may take between 3 to 5 years for this to be achieved and this annual contribution to the reserves will have to take place during a period of continued austerity and the need to find further savings.
- 5.9. The Council also holds £9.9m as earmarked and restricted reserves (as at 31 March 2018). 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. These earmarked and restricted reserves continue to be used and it is estimated that the balance will have fallen to £6.3m by the end of the 2018/19 financial year. The majority of the £6.3m is to cover potential risks e.g. uninsured risks, to hold unallocated grants and to fund projects which are partly underway and will be completed during 2019/20.
- 5.10. There may be scope to release a small amount of the earmarked reserves back to the general reserves and a full report on General and Earmarked Reserves is included as a separate item on the Committee Agenda.
- 5.11. The standstill revenue budget for 2019/20 includes £0.977m of earmarked and general contingencies. Items included under this heading include a general contingency £395k, salary and grading contingency £400k, and £182k for time limited funding including Haulfre, Regional Growth bid and the North Wales STEM project. 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.

## **6. ROBUSTNESS OF ESTIMATES**

- 6.1. 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.
- 6.2. 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.
- 6.3. 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 2019/20, inflation has been included in the budget as follows: pay awards as per the Employer’s pay offer for NJC staff and for Teachers, price inflation (2.1%). Following the result of the EU referendum, inflation rose to above 3% but has since fallen back and currently stands at 2.1% (CPI – December 2018). The latest forecasts do not show that inflation will rise significantly during 2019/20 and it is expected to be on or around the Government’s target of 2%. Approximately £68m 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 £680k 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 2019, they will not rise significantly. The majority of the interest paid by the Council relates to fixed rate loans which will not change should the interest rate rise. Therefore, the interest rate risk is considered low and, as in previous years, this is a compensating risk for inflation risk, because if one increases the other is likely to increase also.
- **Grants Risk** - These are risks attached to the large number of specific grants from WG, Europe or other bodies which support a good proportion of Council spending. Some of these may be reduced substantially or cut altogether; we do not have a complete picture of all these and we will not even have one as the financial year begins. While the immediate response is to say that when the grant ceases, so must the associated expenditure, there is a risk that this may not always be possible. It may not be possible when contract terms mean the expenditure cannot be cut as quickly as the income, or involves unfunded severance costs. It may not be possible if the activity funded turns out to be so important to the delivery of the Council’s own Priorities that the Council decided it must continue the expenditure. Efforts to mitigate this risk are to ensure we have the best information available on each grant, but significant changes during the year cannot be entirely ruled out.
- **Income Risks** – The budget is based on securing an overall 3% increase in fees, and a number of services have assumed rises up to 3%. If the elasticity of demand for Council Services is such that volume falls, and income targets are not achieved, that may cause overspending on net budgets. This will require close monitoring of the net budget position and, if necessary, cutting back on spending to match reduced income.
- **Optimum Risk** – Probably the greatest risk in current circumstances is that the Authority, Members and Officers, have been over-optimistic in the savings that will be achieved or that demand for services, particularly social care, will not increase significantly. If these projects should run into difficulties and fail to achieve the savings taken out of the budget or that demand rises sharply, 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 and this would result in the Council Tax being set at a level that is higher than required, which is something that Members are keen to avoid;

- **Savings Risks** – The initial budget proposal included £3.747m 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.
- **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 £400k has been set aside in the 2019/20 standstill budget to cover any redundancy costs that arise during the year in order to mitigate this risk. In 2018/19, £300k was allocated to cover staff redundancy costs but an additional £250k will have to be released from earmarked reserves to meet the actual final 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 £400k contingency will be insufficient to meet the costs.
- **Council Tax Premium** – Given the proposed increase in the level of the premium to 35% for second homes and 100% for empty properties, two risks arise. The first is that the increase encourages taxpayers to take action in order that they are no longer liable to pay the premium i.e. they sell or let the property or actively try to sell or let the property. This will reduce the properties liable for the premium, thereby reducing the income generated. This risk is mitigated to some extent as the taxbase is based on 80% of the properties identified as properties currently paying the premium and 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. As a result, this risk is considered to be very low. The second risk relates to non-payment of the premium. Any increase in the premium may increase the number of people who are unwilling or unable to pay the premium. Although the Council has various options which it can follow to ensure that the debt is paid, ultimately some debts may remain uncollected and will need to be written off.
- **Demand Risk** – As noted previously in the report, and as we have experienced in the past two financial years, there has been an increase in the demand for services, particularly in social care and education, and these increases have put a financial strain on the Authority and has resulted in significant budget overspends. The standstill budget for 2019/20 has taken into account the increased demand but any further increases would be unfunded and increase the risk of further overspending in 2019/20.

6.4. 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.

## 7. SCRUTINY COMMITTEE

- 7.1. The 2019/20 budget setting was given further consideration by the Corporate Scrutiny Committee at its meeting of 4 February, 2019.
- 7.2. The report of the Scrutiny Manager was presented which outlined the context to the 2019/20 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 2019/20. 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 2019/20 budget proposals;
- Report of the Citizens' Panel and Youth Council (Llais Ni) on their involvement with regard to improving public engagement with Scrutiny.

**7.3.** Having considered and deliberated on the information presented both in written form and orally at the meeting, including representations made by the primary and secondary sector Head teacher representatives and having regard to the key messages from the public consultation on the 2019/20 Budget proposals and their impact on citizens, the Corporate Scrutiny Committee resolved:

- The Committee recognises the pressures on the Council's Budget and on services and notes the effects that implementing the savings proposals is likely to have on services. The Committee notes in particular the severe impact which implementing the proposed reduction in School Budgets could have on schools and their staff and potentially, on their capacity to deliver education of the highest quality.
- That in light of the above, the Committee recommends to the Executive that it considers increasing the Council Tax for 2019/20 by a minimum of 10% in order to maintain services and to reduce the reduction in the Delegated Schools Budget.
- The Committee notes the proposed Capital Budget for 2019/20 without amendment.
- The Committee notes the key messages from the Public Consultation exercise and notes also that the additional suggestions and ideas presented by respondents will be scrutinised further by the Finance Scrutiny Panel as a basis for possible savings in 2020/21 and beyond.
- The Committee recommends to the Executive that in order to further improve the consultation process for future years, the process should reflect and/or address the following –
  - Demographic profile of respondents
  - Differentiation between service users/non-users
  - Prevention of multiple/duplicate responses by respondents
  - How different percentage increases in Council Tax are linked to service cuts/gains.

## **8. BUDGET PRESSURES AND SAVINGS**

**8.1.** The Council's monitoring report to the end of quarter 2 shows that budget pressures are being felt in Children's Services and Adult Services and also in the Out of County Education budget and Education Transport budgets. 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 underlying budget pressures of £2.0m in Children's Services, £1.0m in Adult Services and £550k 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.

**8.2.** In setting the 2019/20 standstill budget, some additional funding was allocated to meet these additional budget pressures. However, since the draft budget was drawn up, there have been further increases in the demand for services, in particular in Adult Services, and as a result there is a need to reconsider the level of additional funding required to be included in the budget as shown in Table 5 below.

**Table 5**  
**Potential Additional Budget Pressures Arising from Increased Demand**

<b>Service</b>	<b>Estimated Overspend in 2018/19</b>	<b>Additional Funding Allowed for in the Standstill Budget</b>	<b>Additional Grant Funding</b>	<b>Further Efficiency Savings Identified</b>	<b>Potential Additional Budget Pressure in 2019/20</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Adult Services	1.00	-	(0.67)	-	0.33
Children's Services	2.00	(1.34)	(0.05)	(0.31)	0.30
Education	0.55	(0.20)	-	(0.15)	0.20
<b>Total</b>	<b>3.55</b>	<b>(1.54)</b>	<b>(0.72)</b>	<b>(0.46)</b>	<b>0.83</b>

- 8.3.** Given that the level of the Council's general reserves has fallen below the minimum recommended level in 2018/19, it is a significant financial risk to use further balances to cover the cost of overspending budgets in 2019/20 or to hope that the demand in these services falls in 2019/20.
- 8.4.** In determining the delegated school's budget for 2019/20, the 2018/19 budget was initially increased by £2.43m to reflect the increased costs faced by schools in 2019/20. These include the pay awards to school staff (£0.81m), the increased employer pension contributions for teachers (£0.79m), general price inflation (£0.71m) and an increase in pupil numbers (£0.12m). However, as part of the savings proposals, the delegated schools budget was then reduced by 5% of the 2018/19 budget, £1.739m. The net effect of these changes was that the delegated schools budget would increase by £0.69m or 1.95%.
- 8.5.** Although the cash budget for schools would increase under the proposals, it would not fund all of the budget pressures and would require schools to reduce expenditure in 2019/20. Having considered representations made by the School's Finance Forum and others during the consultation process, the Executive were eager to try and reduce the impact on schools if possible. The final budget proposal will, therefore, only reduce the delegated schools budget by £800k, rather than the £1.739m originally proposed. As a result, the delegated schools budget will increase in cash terms by £1.63m or 4.7%.
- 8.6.** In 2019/20, the employers' contribution for teachers' pensions increases from 16.48% of the pay to 23.6%. This increases the pension costs for the Authority by £800k. Discussions are ongoing as to whether these increased costs will be funded by the UK Government but, at the time of writing, no decision has been made. Should the Council receive any further funding, the Executive will consider how to use any additional funding at the point when the additional sum allocated is known.

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

- 9.1.** 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 2019/20, after allowing for £3.747m of proposed savings, is set at £133.921m (see Table 2).

- That the following adjustments are made to the savings proposals:-
  1. The reduction in the delegated schools' budget of £1.739m is reduced to £800k and that this reduction is allocated pro rata to each of the 3 sectors based on the 2018/19 budget. This increases the final budget for 2019/20 by £939k. In addition, the Local Authority Education Grant of £173.8k is delegated to schools to further reduce the reduction in the delegated schools budget to £626.2k in 2019/20.
  2. The proposed increase of 20p in the cost of school meals is reduced to an increase of 10p (inflation only). This increases the final budget for 2019/20 by £43k.
  3. Not to terminate the nappy collection service. This increases the final budget by £30k.
  4. An additional service pressures budget of £277k is created which will be held to fund any additional costs which may arise during the year due to an increase in the demand for services.
- That the Council Tax is increased by 9.5% in 2019/20, which raises the Band D Council Tax by £108.36 to £1,248.57.
- That any remaining balance required to balance the budget fully is added back to the general contingency.

9.2. Table 6 below summarises the movement in the 2019/20 budget taking into account the proposals set out in paragraph 10.1 above.

**Table 6  
Proposed Budget Requirement and Funding 2019/20**

Budget Requirement	£'m	£'m
Final Budget 2018/19		130.945
Committed Charges and Inflation		6.457
<b>Standstill Budget as at 12 November 2018</b>		<b>137.402</b>
Initial Savings Proposals		(3.747)
<b>Initial Budget Proposal as at 12 November 2018</b>		<b>133.655</b>
Adjustments to Standstill Budget – see Table 2		0.266
<b>Standstill Budget as at 18 February 2019</b>		<b>133.921</b>
<b>Final Budget Proposals – paragraph 9.1</b>		
Reduction in Savings applied to delegated schools budgets	1.113	
Use of Local Authority Education Grant	(0.174)	
Reduce the increase in school meal prices	0.043	
Continue with nappy collection service	0.030	
Contingency for Increased Service Demand	0.277	
		1.289
<b>Final Proposed Budget Requirement</b>		<b>135.210</b>
<b>Funded By:</b>		
Revenue Support Grant	73.037	
Non-Domestic Rates	22.754	
Total AEF		95.791
Council Tax (including Premium)		39.419
<b>Total Funding</b>		<b>135.210</b>

- 9.3. The revised reduction in the delegated schools budget then has to be allocated between the 3 sectors on the basis of the 2018/19 budget share. This gives a budget reduction for the 3 sectors as shown in Table 7 below.

**Table 7**  
**Allocation of the Reduction in the Delegated Schools Budget**

Sector	2018/19 Budget £'m	% of Total 2018/19 Budget	2019/20 Budget Reduction £
Primary	19.260	55.4%	0.347
Secondary	13.998	40.3%	0.252
Special	1.514	4.3%	0.027
<b>TOTAL</b>	<b>34.772</b>	<b>100.0%</b>	<b>0.626</b>

## 10. EQUALITIES IMPACT ASSESSMENT

- 10.1. 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.
- 10.2. As part of the 2019/20 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.
- 10.3. 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 5).

## 11. UPDATING THE MEDIUM TERM FINANCIAL STRATEGY

- 11.1. The initial budget proposals to the Executive on 12 November 2018 was based on the Medium Term Financial Strategy approved by the Executive in September 2018 (see Table 1). This estimated that the total AEF would reduce by 1% in 2018/19 and that Council Tax would rise by 5% and that the premium on second homes and empty properties would remain unchanged.
- 11.2. The actual settlement reduced the AEF by 0.3% 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 9 of the 22 Councils actually increased in cash terms.
- 11.3. 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.
- 11.4. No indication has been given by Welsh Government as to the level of future funding and, in the absence of this information, the Medium Term Financial Plan continues to assume no increase in the level of the AEF over the next 3 years.
- 11.5. Inflation and pay awards are assumed to be in line with each other over the next 3 years with an assumed annual increase of 2%. Demand is anticipated to remain at the current level across the services but, as has been shown over the past 2 years, this may be an optimistic assumption.

- 11.6. Council Tax is assumed to continue to grow by 5% per annum. If the actual rise was less than this figure, each 1% below the 5% would require additional savings of £0.41m.
- 11.7. Table 8 shows the revised Medium Term Financial Plan but a more detailed revision will be undertaken over the coming months and will be presented to the Executive in September 2019.

**Table 8**  
**Medium Term Financial Plan 2020/21 – 2022/23**

	<b>2019/20 Proposed Budget £'m</b>	<b>2020/21 £'m</b>	<b>2021/22 £'m</b>	<b>2022/23 £'m</b>
<b>Net Revenue Budget B/F</b>		<b>135.21</b>	<b>137.18</b>	<b>139.25</b>
Budget Pressures and Inflation		2.70	2.75	2.79
Contribution to General Balances		0.50	0.75	0.75
<b>Revised Budget</b>	<b>135.21</b>	<b>138.41</b>	<b>140.68</b>	<b>142.79</b>
Aggregate External Finance (AEF)	(95.79)	(95.79)	(95.79)	(95.79)
Council Tax	(39.42)	(41.39)	(43.46)	(45.63)
<b>Total Funding</b>	<b>135.21</b>	<b>(137.18)</b>	<b>(139.25)</b>	<b>(141.42)</b>
<b>Savings Required</b>	<b>0.00</b>	<b>1.23</b>	<b>1.43</b>	<b>1.37</b>

## 12. CONCLUSIONS

- 12.1. It is important for the forthcoming year that the budget set is achievable and accurately reflects the demands faced by services currently, and for the period of the MTFP. This requirement has greater relevance given that the level of reserves has fallen and cannot be seen as a continued source of funding when the budget overspends and that the level of school reserves has also fallen. It is also necessary that the budget addresses the long term financial viability and sustainability of the Council and ensures that the Council is in a strong financial position to respond to any further reductions in funding from the Welsh Government.
- 12.2. Therefore, in the professional opinion of the Section 151 Officer, the revenue budget for 2019/20 must achieve the following objectives:-
- Ensure that the financial resources allocated to each service is sufficient to meet the current budget pressures and fulfil the demand for the statutory functions which the services must provide.
  - Addresses the underlying financial pressures in the Services which have been impacted most by an increased demand for services; Education, Children's Services and Adults Services.
  - Avoid setting a budget that further erodes the Council reserves, either by using reserves to balance the budget or by setting an unachievable budget, which will ultimately result in overspending at the end of the 2019/20 financial year.
  - To set a level of Council Tax which is comparable with the Welsh Government's assessment of where Anglesey's Council Tax should be and is in line with the Council Tax set by other Welsh authorities of a similar size and type.

## 13. RECOMMENDATIONS

- 13.1. The Executive is recommended to approve the final budget proposal as set out in Paragraph 9 to the full Council meeting on 27 February 2019.



**Response to the Executive Committee's Initial Budget Proposals – 2019/20**

**ISLE OF ANGLESEY COUNTY COUNCIL**

**January 2019**

**Analyst – Alwyn Williams, Performance & Business Analyst**

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

**Head of Service – Carys Edwards, Head of Human Resources & Corporate Transformation**

**1. Introduction**

- 1.1. The Council recently undertook a consultation exercise on the initial budget proposals agreed for consultation by the Executive Committee between 16 November and 31 December, 2018. The 7 week consultation period focused on approximately 15 proposals.
- 1.2. These proposals were the result of the annual budgetary process and were consulted upon in order to gain the views of the public and ensure the Executive can (as the process draws to a close) make recommendations from a fully informed position. 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:
  - Learning
  - Social Services
  - Reduction of Budgets
  - Buses, Parking and Regeneration
  - Council Tax
  - Tax Premiums
  - Ideas
- 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 increasing Band 'D' Council Tax levels by £2.19 per week to stopping the nappy collection to only providing the statutory minimum of nursery provision 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 further engagement exercises with :

- A focus group session for young people from our secondary schools in the Council Chamber
- Sessions with secondary school council's together with further sessions with Young Farmers and the Urdd.
- 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
- A Town and Community Councils Forum on 28th November, 2018

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

In addition, this year we sought our residents' views on ideas where we could make further savings or increase our income over the years to come to plug the budgetary gap envisaged as a result of our Medium Term Financial Plan. 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 year's consultation 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 which could be developed for the years ahead.**

## **2. Findings**

2.1. The response to the initial budget proposals for 19/20 over a period of 7 weeks was balanced with a number of positive and negative comments surrounding the various proposals. This year the rate of responses has risen considerably with approximately 5,400 responses received against a total of 17 proposals averaging approx. 317 responses to each proposal. This is considerably higher than in previous years which is welcomed and has been achieved 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 this year was the online survey – in excess of 95% responded through this channel which is a further increase compared to past years and perhaps demonstrates once again residents greater willingness to participate using this means.
- 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 the previous years, 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 62,000+ people.
- 2.5. We posted the consultation on social media several times over the 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 website, 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 1,300 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. Ireland
  - 2.8.3. Austria
  - 2.8.4. India
  - 2.8.5. Netherlands
  - 2.8.6. Canada
  - 2.8.7. Germany
- 2.9. Nonetheless, the majority of visits to our website were by UK citizens (approx. 94%).

### **3. The Results of the Consultation**

- 3.1. The results of the consultation this year similar to last years have been balanced on the whole, with viewpoints in favour of and against a number of proposals. There were specific fields where a clear opinion was offered as a result of this year’s consultation. These fields will become evident as part of this report. (see below)
- 3.2. 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 outlined at the top of this report.

3.3. **Point to note** – against the proposals that follow there are the % responses to the closed questions asked as part of the survey and thereafter a commentary of the comments posted associated with those proposals.

3.4. **Learning**. There were 4 proposals to consider as part of the consultation –

- Only buy the statutory minimum of nursery provision i.e. two terms instead of three
  - **37% agree / 63% disagree**
- Provide schools with a cash settlement which is lower than the full cost of their forecasted budget pressures in 2019/20
  - **15% agree / 85% disagree**
- Increase cost of school meals (primary & secondary) by 20p –
  - **64% agree / 36% disagree**
- Move to a secondary catchment area model for school assistants in order to make more efficient and effective use of staff.
  - **49% agree / 51% disagree**

The total value of the 4 proposals above was - £1,977,000.

3.4.1. The respondents to the set questions obviously seem to disagree with the majority of the proposals with the most overwhelming disagreement being evidenced against the proposal to fund schools at a lower level than their forecasted costs. The increase in school meals proposal was the only one of the four that was supported by almost two-thirds of the respondents.

3.4.2. In addition to the above conclusion a number of comments were received (68), indicating some strong viewpoints. Although those viewpoints weren't always associated with the actual proposals and in the main tended to be against and not supportive of these savings proposals.

3.4.3. For example, some talk about the lack of responsibility by parents in educating their children, whilst others talk about the continued need to rationalise schools and sell redundant buildings to maximise resource. It has been noted that the process of modernising schools needs to be speeded up. Others take a hard-line view that no cuts should be made to the education service as this is the education of our future and undertaking such steps would only be a short-term mind-set which would undoubtedly put added pressure on teaching staff.

3.4.4. In the same vein, some comments reflect the feeling and the need that the Council should ring-fence any additional resource allocated by Welsh Government through the budget setting process or any increase in Council Tax made by the Authority to the Education service and in particular school provision to assist school budgets.

3.4.5. Responses from School Councils, Urdd and the Young Framers Club are also concerned and not very supportive of these proposals e.g. Bodedern's School Council response was emphatic in their position –

- 3.4.5.1. increase Council Tax,
- 3.4.5.2. do not cut school budgets
- 3.4.5.3. look elsewhere like waste management to make savings

3.4.6. The Town & Community Council Forum noted that a cut to schools and children's services would realise fake savings and the Council should look at increasing Council Tax as opposed to making such cuts.

3.4.7. Therefore, to close on the proposals to make savings through the schools' and their associated costs, it seems that there is an obvious split with the majority against such saving proposal and some in favour. The discussion above demonstrates some of those tensions.

3.5. **Social Services** – 3 proposals were being proposed from Social Care and these were as follows -

- Reducing demand for homecare services and supported living support
  - **22% agree / 78% disagree**
- Increase number of clients arranging own care through DD and increasing standard charge of care at Council run homes to closer reflect the cost of provision
  - **47% agree / 53% disagree**
- Reducing demand for residential and nursing placements by continuing with our drive to promote independence within the community
  - **64% agree – 36% disagree**

The total value of these 3 proposals were - £255,000

3.5.1. In addition 22 comments were received and the responses range from those that acknowledge that community independence still requires support to the need to be cautious that any cut would overburden community workers.

3.5.2. Other note that there is a need for families to 'take more responsibility for their loved ones' which again resonates with the drive to enable people to be as independent as possible into old age.

3.5.3. There is also an acceptance that by living longer, care needs become more complicated and that the Council should develop the role and status of paid-carers and provide a career structure which reflects the importance of their work and responsibilities.

3.5.4. Some question whether what's put forward can actually be realised i.e. if a person requires these services then there is no alternative. Is reducing demand a true possibility and by aiming to do so is there a risk that we will actually be increasing costs as good quality home care is the first line of defence in the community and prevention? Some note that there is a desperate need to invest in high quality community based provision in order to assist the agenda.

3.5.5. There is also the questioning surrounding nursing placements and whether it should be considered as part of this consultation and that perhaps it would be better suited in an NHS consultation.

3.5.6. Finally on this part of the consultation the fact is noted that with statistics demonstrating that people are living longer some state that this budget should be maintained or even increased as there will always be a need for it.

### 3.6. Reducing Budgets – 2 proposals were put forward under this theme

- Reducing or deleting the following budgetary lines –  
Talent (libraries book buying fund) / Melin Llynonn (Marketing budget) / Gaol & Courthouse (marketing budget) / Coastal Path / Structures & Traffic / Maritime (blue flags) / Outdoor facilities following transfer of assets to community / central procurement / training budget for summer placements / tourism and countryside
  - **38% agree / 62% disagree**
- Stopping the nappy collection service
  - **55% agree / 45% disagree**

3.6.1. The total value of these proposals were £188,000

3.6.2. 38 comments were received associated with these proposals and these ranged from those that were unhappy with the fact that a number were combined together and consulted upon therefore making it difficult for them to have a full understanding of the financial position, to those who vehemently disagree with any reduction related to the Library provision (Talent – Libraries book buying fund).

3.6.3. Indeed it appears that the Library service is well-regarded from a few respondents and that these should be viewed as potential community hubs into the future.

3.6.4. Others note that the proposals which were combined together as proposals are good solutions and there is scope to further centralise marketing, through greater service utilisation of central corporate communications staff.

3.6.5. Those who are against the removal of the nappy collection proposal have undoubtedly voiced their concern as they note that this service is a necessity and if cut a review of black bin collection needs to be undertaken with a view that it should become a more regular occurrence than the 3 weekly service currently in operation.

3.6.6. One proposal questions why Oriel Ynys Mon isn't up for deletion under section 1 and others point to the fact of how important tourism is to the island and their concerns are noted to the proposals to cut tourism related activities at a delicate time for the economy under the 'looming brexit'.

3.6.7. To close this field therefore, the questions highlighted under 3.6 demonstrate a position against the proposed cuts and the discussion above provides a taste of the views of those who disagree with those proposals.

### 3.7. Buses, Parking & Regeneration is the next theme which includes 3 proposals –

- Reduce capacity within the Regeneration Function
  - **Agree 64% / Disagree 36%**

- Increasing the annual parking voucher fee by £20 to realise more income
  - **Agree 75% / Disagree 25%**
- Realise savings within bus services by stopping the following journeys
  - 50b Amlwch to Llangefni (service 32 on Saturday mornings)
  - 63a – 63 Service which travels from Amlwch to Llanerchymedd to Bangor via Brynteg on Saturday afternoons
  - 43a – Daily 43 a service which services estates and residential areas in Menai Bridge and Llanfairpwll together with providing a service between Caernarfon and Llangefni
  - **Agree 70% / Disagree 30%**

3.7.1. These proposals are different to the other fields which have been consulted upon and provide an overwhelming support for the savings identified.

3.7.2. Having noted this, it is also important to draw the committee's attention the fact that a petition has been received by the Council which is against the cut to the 43a bus service which services Menai Bridge and Llanfairpwll. This petition (wording noted in appendix B) is signed by 229 individuals from both Menai Bridge and Llanfairpwll.

3.7.3. Of the other comments (22 in total) there is a consistent message of the need to review a greater number of bus journeys across the island but keeping in mind some journeys are the only way certain people are able to travel and from a sustainable model this needs further consideration.

3.7.4. There is a tension between some respondents who see the need to increase the parking voucher further whilst others believe the Council should do more to increase the free parking provision across the island but most notably in the town centres.

3.7.5. This field is undoubtedly different to its counterparts and apart from the petition received the majority of respondents agree with the said proposals.

**3.8. Council Tax** – this year the proposals put forward for consultation did not divulge % figures but instead used monetary figures which it was envisaged would make it clearer for respondents around its impact on day to day living. The questions asked were as follows -

- Would respondents be happy to pay on average (Band D property) an extra £2.19 a week on your Council Tax in order to protect the Council's key statutory services and enable us to meet the islands growing service pressures and demands
  - Agree 43% (66 respondents) / Disagree 57% (89 respondents)
- If no, please tick which weekly increase on your Council Tax you would be happy to pay (only select one box) –

<i>Proposal</i>	<i>% response</i>	<i>No. of responses</i>
<b><i>£1.97 extra a week</i></b>	<b><i>5%</i></b>	<b><i>4</i></b>
<b><i>£1.75 extra a week</i></b>	<b><i>3%</i></b>	<b><i>2</i></b>
<b><i>£1.53 extra a week</i></b>	<b><i>9%</i></b>	<b><i>7</i></b>
<b><i>£1.32 extra a week</i></b>	<b><i>5%</i></b>	<b><i>4</i></b>
<b><i>£1.10 extra a week</i></b>	<b><i>77%</i></b>	<b><i>58</i></b>

3.8.1. What the above demonstrates is that the willingness or not to pay an extra £2.19 a week in Council Tax wasn't as overwhelmingly opposed as some of our other proposals put forward during this year's consultation.

3.8.2. Of those who did oppose it, it appears that the favoured option of an increase in Council Tax is the minimal increase proposed of £1.10 extra a week.

3.8.3. 58 comments were received in line with this proposal and their differing views can be encapsulated as follows.

3.8.4. The majority of the comments received were against the raise in Council Tax. Indeed, a recurring theme coming from the comments is that the residents who responded did not see why they should be asked to pay more Council Tax when the services they receive are decreasing. It was noted by a number that if it were to rise then we should expect improved services and the other proposals put forward by this consultation should be scrapped. Criticism was also apparent with the fact that Anglesey compares itself with other authorities on a council tax basis and this it was noted was flawed due to the average lower wages and smaller population of the island.

3.8.5. A couple of respondents criticised the fact that no %'s were noted within the consultation and that using monetary terms (£'s) did not give the full picture.

3.8.6. Having said that, it is apparent that 9 of the 58 respondents who provided comments were agreed to the increase in council tax, indeed the common theme running throughout those responses were the fact that if there was an increase in council tax costs, then all the additional funding gained should be used to lessen the cut if not completely ring-fenced for the benefit of education and the schools.

3.8.7. Whilst on the whole, the opposition to the increase in Council Tax was apparent, some felt there was a need for it and that as a Council it should be undertaken.

### **3.9. Council Tax – Premiums**

3.9.1. The survey was responded to by almost 1000 people and was by far the element of the survey which had the most responses out of the budget consultation.

3.9.2. Approximately 70% of those that responded also included additional comments to support their cases.



3.9.3. Many of the comments however failed to understand the difference between a long term empty home and a second home which is unoccupied during long periods during the year. This caused some difficulties when analysing the data but many of the themes were similar.

3.9.4. Below is a breakdown of the two questions asked along with themes coming from the responses:

- ***Do you think we should increase our Council Tax Premium on Long-term empty properties from 25% to 100%?***

3.9.5. This question on the survey was responded to 979 times.

- 3.9.5.1. 56% do not agree with the increase to 100%
- 3.9.5.2. 44% do agree.

3.9.6. Of the 979 responses there were 678 additional comments, not all responses related to the empty properties but mainly second homes.

3.9.7. Themes within the comments against the premium on empty homes include:

- 3.9.7.1. Empty Homes do not use as many Council Services
- 3.9.7.2. Money being used to renovate empty homes will be lost resulting in them being empty for longer
- 3.9.7.3. Some empty homes are difficult to sell
- 3.9.7.4. Generational Family Homes
- 3.9.7.5. Financial Hardship
- 3.9.7.6. Forced to sell up

3.9.8. Themes in favour of the premium on empty homes include:

- 3.9.8.1. Increase results in empty homes being brought back into use
- 3.9.8.2. Increase but do so slowly over time e.g. Year 1 -50%, Year 2 - 75%...
- 3.9.8.3. Increase for only the longer term empty homes, e.g. over 2 years
- 3.9.8.4. Offer scheme to reduce the number of empty homes
- 3.9.8.5. Compulsory purchase long term empty homes

- ***Do you think we should increase our Council Tax Premium on Second homes from 25% to 35%?***

3.10. This question on the survey was responded to 992 times.

- 3.10.1. 83% do not agree with the increase
- 3.10.2. 17% do agree.

3.11. Of the 992 responses 689 additional comments were received, although like above not all comments were to do with the council tax premiums on second homes.

3.11.1. Themes within the comments against the increase in the premium on second homes include:

- 3.11.1.1. Economic Benefits to the Island will be lost
  - 3.11.1.2. Tourism will be affected
  - 3.11.1.3. Second Homes use less council services
  - 3.11.1.4. Many Second Homes are future Retirement Homes
  - 3.11.1.5. Forced to sell up
  - 3.11.1.6. Second Homes should pay less council tax not more
  - 3.11.1.7. Short Sighted decision
  - 3.11.1.8. Discrimination
  - 3.11.1.9. Change second home to main residence
  - 3.11.1.10. Themes in favour of the premium on second homes include:
  - 3.11.1.11. Second Homes Council Tax should be increased even further as they can afford it
  - 3.11.1.12. The increase could lead to more homes for local people
- 3.12. These views are also reflected in the 50 or so e-mails received on this matter. Those that have contacted the Council through this means have undoubtedly demonstrated their displeasure with such proposals and are against it.
- 3.13. The word cloud below (Fig 1) gives a summary of the comments. Larger words are discussed more often in the comments and smaller words less so.

Fig 1.



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

4.1. To close therefore, it seems from the responses to the types of savings proposed in respect of the 2019/20 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 most controversial areas (responses over 70%) whereby there is a resounding disagreement with the proposals. These are:

4.1.1.1. *The Council tax – Premiums on 2<sup>nd</sup> Homes*

4.1.1.2. *The cuts to school budgets and*

4.1.1.3. *Making savings by reducing the demand for homecare and supported living care*

4.1.2. It is also noted here that the response rate to this year's consultation has been much greater than over past years and it is proposed that a full appraisal of this year's consultation process is undertaken to learn lessons and provide a sound base from which to improve again next year.

**4.1.3. Based on these conclusions, it is recommended that –**

**4.1.3.1. the Scrutiny Committee and Executive Committee consider the response as part of their discussions before making final recommendations**

**4.1.3.2. the Corporate Scrutiny Committee's Finance Panel considers further the areas of savings that have been proposed by our citizens (Appendix A) as the first part of the process for setting the 2020/21 budget.**

## Appendix 'A' – Summary of Responses / Ideas

### **1. Bin Collection Services**

- Suspend the green bin collection service between October and March.
- Stop the green bin collection service completely.
- Reduce green and black bin collections to once a month
- Large recycling bins (different colour for different recycling materials) to be collected once a month – encourage people to recycle more and reduce waste so that the black bin can also be collected once a month.

### **2. Libraries**

- Closure of underused libraries.
- Centralise libraries or merge them with Secondary School libraries.
- Provide activities for children in libraries and charge a small fee.
- Charge an entrance fee to Oriel Môn.

### **3. Schools**

- Close schools for children at 1pm every Friday. This will enable teachers to take their 10% non-contact time at the same time – promoting collaboration and reducing core staffing costs (i.e. supply teachers' costs for the 10%).
- Also an option to reduce other staffing costs during this period – this could save over £100,000 per year in large schools.
- Increase the cost of school meals – however, to do this there must be an improvement in the quality of school meals (from £2.40 to £3.00).
- 4.5 day week for schools?
- Heater on all the time in school – unable to control it. On/off button only.
- Fine parents that bus their children to primary schools outside the appropriate catchment area by introducing a licence.
- Charge for school buses for secondary pupils.

### **4. Public Transport**

- Combine the 62 & 61 bus service to link Bangor and Holyhead with places like Cemaes and Cemlyn.
- Review the bus system – reduce / merge journeys.

### **5. Tourism**

- Raise the profile of tourism on the Island – we must invest to make money.
- Anglesey missing an opportunity to promote the island's culture and legends.
- Charge a toll on visitors to cross the bridges when they visit the Island.
- Develop tourism – including a tourist centre.

### **6. Tax Increase**

- 10% increase in tax.
- Increase the tax to the same level as Gwynedd.
- Charge an additional tax on houses that are purchased as personal holiday homes – local people buying a second house to rent out for income shouldn't be penalised.
- Increase the premium on second homes / holiday homes to 100%.

## **7. Staffing Suggestions**

- Make staff redundant
- Internal re-structuring
- Stop advertising jobs
- The Executive is too big – needs to be reduced in size
- Look at 'middle management' and higher tiers in all departments – is there a need for so many officers?
- There's no need for two assistant chief executives.
- Reduce the use of 'consultants' and give the responsibility to officers that have the same qualifications.

## **8. Employment**

- Reduce staff salaries
- Cut pay for staff earning over £40,000
- Stop paying overtime and bonuses to staff

## **9. Parking Charges**

- Charge staff for parking their cars – at the offices.
- All staff who park in Council spaces (including offices and schools) should be charged £200 per year (depending on pay grade) – the sum to be deducted by payroll.

## **10. Reducing the number of Councillors**

- A small island does not need 30 elected members.
- Review the number of councillors by area (2 would be sufficient)
- Reduce councillors' expenses
- Reduce expenditure on councillors – such as buying i-pads
- Reduce local councillors' salaries.

## **Appendix 'B' – Petition against proposal to cut bus service**

Dear Sir /Madam

Please find enclosed our petition ruling against the final decision to withdraw from the service 43/47 running through Llanfair P.G also the surrounding villages of Menai Bridge All names on this petition have been written down by people who use this service only. We will continue to collect names up until the end of March. Also please note all the names on the petition are from people who use the bus and not from general public.

The community feel that yes the service needs looking at and at the worse Reducing / Fine turning but not withdrawing. Thou we know the service has been reduced in use, the service is being used by all walks of life the Disabled, Sick, Enabled, Young, Students, Elderly and more. We wish to put to you if the service is taken away we want to know what will happen and where and how do some of the passengers get around and go about their business, shopping, visiting family members and much more.

### **Park and ride Llanfairpwll**

We have people visiting their sick and dying Family members / Wives there is no other service passing through here so how will these public passengers visit them in the Fairways nursing home located behind the park and ride.

### **Llanfair Doctors and Dental surgery**

We have Elderly, Sick and Disabled people who visit here on a daily basis people who physically can't walk long distance and are coming from the higher end of Llanfair PG and the surrounding villages of Tyddyn To.

### **Co-op Llanfairpwll**

We have the local community who are unable to walk who go on a daily basis to get their shopping needs there is usually around 30 minutes between each service and for those who are unable to stay on their feet very long go and do their shopping.

E.G we have one gentleman who can spend a max hour and a half on his feet his visit to the shop consists of a journey on the bus do his shopping and gets next bus back, his visit will after withdrawal will end up around 3 and a half hours how will that impact his life.

### **Ysbyty Gwynedd**

How are people who live where there will be no bus meant to get to appointments and emergencies.

We also have a lady who goes to the surgery 2 times a week for her tablets and shopping she struggles on a daily basis anyway but in some cases the driver helps her off with her shopping. This lady lives in the top end of Llanfair and certainly can't walk long distance. She is so disabled she gets off the bus backwards

Withdrawal of the service will have a massive impact on most of the community who use this service. Yes in some cases they can use an alternate service but in lots of cases the busses are full and full of children in the morning and evening so where are the elderly sick and disabled meant to sit. We also carry students and vulranable children for their school and in these dark wet mornings what will happen to them. Not only will it have an impact on people's lives it will also have some impact on local businesses who rely on this service.

This service is also linked to a service 46 which serves Bangor – Llangefni also Bangor – Caernarfon also Llangefni – Caernarfon and Llangefni – Caernarfon This service carries children to school, Students to college, Council workers to work in Llangefni and local community shoppers, what will happen to this service.

There is also the job loss of 3 drivers who serve the community on this service.

Before plans to withdraw service we the community feel we need a meeting so we can talk about the impact this will make on our community.

Please contact me on the address and telephone number at top of this petition if you wish to talk and for further information.

## 2019 / 20 Revenue Budget Savings to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Highways, Waste & Property	Highways – Public Transport	Realising savings within the bus service by stopping the following journeys which are low in use – 50b - 07.13 from Amlwch to Llangefni (service 32) on Saturday mornings 63a – 63 Service which travels from Amlwch to Llanerchymedd to Bangor (via Brynteg) on Saturday afternoons 43a – Daily (43a) Service which services estates and residential areas in Menai Bridge and Llanfairpwll together with providing a service between Caernarfon and Llangefni	EA 1	133
Highways, Waste & Property	Highways – Car Parking	Increase the annual parking voucher fee by £20 to realise more income	Not Required	8
Highways, Waste & Property	Highways – Transport	Review the future of all school crossing patrols	EA 2	58
Highways, Waste & Property	Highways – Maintenance	Reduce the budgets for maintenance of Coastal Path, Structures and Traffic	Not Required	15
Highways, Waste & Property	Highways – Maintenance	Reduce Street Lighting R & M budgets as a result of the installation of more LED street lights	Not Required	42
Highways, Waste & Property	Highways – Maintenance	Stop using safecote additive for gritting	Not Required	25
Highways, Waste & Property	Highways – Maintenance	Increase the private street works income budget to reflect the current level of income received	Not Required	100
Highways, Waste & Property	Waste	Transfer the responsibility for certain public conveniences to communities	Not Required	10
Highways, Waste & Property	Highways – Fleet	More use of LPG and electric cars	Not Required	40
Highways, Waste & Property	Property – Industrial Units	Additional income from new industrial units	Not Required	14
Highways, Waste & Property	Property – Administration	Restructure of the Property Management Team	Not Required	85



## 2019 / 20 Revenue Budget Savings to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Highways, Waste & Property	Property – Public Buildings	Savings on energy budgets following capital investment	Not Required	30
Highways, Waste & Property	Property – Public Buildings	Rationalise the management of cleaning staff	Not Required	20
Highways, Waste & Property	Property – Public Buildings	Reduce building/ running costs budget following the disposal of Shirehall Llangefni	Not Required	20
<b>Total for Highways, Waste &amp; Property</b>				<b>600</b>
Adult Services	Elderly	Reduce demand for residential and nursing placements by 2.5% per annum	EA 3	111
Adult Services	Elderly	Reduce demand for homecare services by 53 hours per week	EA 3	46
Adult Services	Mental Health / Physical Disabilities	Reduce demand for supported living support by 50 hours per week	EA 3	38
Adult Services	Physical Disabilities	Increase the number of clients using direct payments by 10 clients per annum	Not Required	30
Adult Services	Elderly	Increase the standard charge cost of care at Council run homes to closer reflect the cost of providing the service	Not Required	30
Adult Services	Mental Health / Physical Disabilities	Commence charging the statutory allowed for all adult clients consistently across all ages and disabilities	Not Required	250
Adult Services	Provider Unit	Full year saving following the closure of Plas Penlan	Not Required	70
Adult Services	Elderly	Outsource more homecare packages to the private providers	Not Required	11
<b>Total for Adult Services</b>				<b>586</b>
Learning & Culture	Libraries	Reduce book purchasing fund	Not Required	20
Learning & Culture	Libraries	Delete unused budget - Talnet	Not Required	20
Learning & Culture	Schools	Provide schools with a cash settlement which is lower than the full cost of all the budget pressures faced by schools in 2019/20	EA 4	626
Learning & Culture	Education	Only purchase the statutory minimum of nursery provision from nursery organisations	EA 5	89

## 2019 / 20 Revenue Budget Savings to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Learning & Culture	Education	Review the delivery of integration services in order to use the available resources more efficiently	Not Required	106
Learning & Culture	Culture	Delete marketing budgets for Melin Llynnon, Beaumaris Gaol and South Stack – no longer required	Not Required	15
Learning & Culture	Youth Service	Close 1 club and reduce the number of weeks other clubs are open along with no longer paying children to work in the Coffee Bar at Clwb Jesse Hughes	Not Required	10
Learning & Culture	Culture	Staff Re-structure	Not Required	36
Learning & Culture	Culture	Reduce Arts Grants budget to reflect the actual sum required	Not Required	15
Learning & Culture	Culture	Increase the income budget for Oriel Ynys Môn to reflect the current performance	Not Required	30
<b>Total for Learning &amp; Culture</b>				<b>967</b>
Regulation and Economic	Maritime	Reduce Maritime budgets	Not Required	16
Regulation and Economic	Economic Development	Reduce capacity within the Regeneration Function	Not Required	66
Regulation and Economic	Tourism	Reduce Tourism and Countryside budgets	Not Required	5
Regulation and Economic	Leisure	Reduce the Outdoor Facilities budget following the transfer of assets from the Leisure Function	Not Required	42
Regulation and Economic	Public Protection	Reduce capacity within the Public Protection Function	Not Required	42
<b>Total for Regulation and Economic Development</b>				<b>171</b>
Housing	Housing	Staffing restructure	Not Required	54
<b>Total for Housing Services</b>				<b>54</b>

## 2019 / 20 Revenue Budget Savings to be Implemented

Service	Budget	Savings Proposal	Equality Impact Assessment Reference	Savings to be Implemented £
Resources	Procurement	Reduce central procurement budgets	Not Required	5
Resources	Administration	Staffing restructure	Not Required	25
<b>Total For Resources</b>				<b>30</b>
Transformation	Human Resources	Reduce training budget for summer placements	Not Required	20
Transformation	I.T.	Reduce telephone budgets following the termination of unused or low use telephone lines	Not Required	20
Transformation	I.T.	Delete video conferencing budget – system no longer used	Not Required	3
<b>Total For Transformation</b>				<b>43</b>
Corporate	Pensions	Reduce historic pension budgets to reflect the reduced costs	Not Required	100
Corporate	Corporate & Democratic	Reduce external audit fees to reflect the revised service and cost	Not Required	10
<b>Total For Corporate</b>				<b>110</b>
<b>TOTAL SAVINGS PROPOSALS</b>				<b>2,561</b>

**FINAL BUDGET PROPOSAL 2019/20 BY SERVICE**
**APPENDIX 4**

	Standstill Budget Following Provisional Settlement	Adjustment to Standstill	Savings	Grant Funding	Budget Pressures	Final Proposed Budget 2019/20
	£	£	£	£	£	£
Education and Culture	51,438,078	(33,790)	(966,983)	(172,800)	-	50,264,505
Adult Services	25,450,316	171,860	(586,000)	-	-	25,036,176
Children's Services	9,997,900	(141,882)	-	-	-	9,856,018
Housing Services	1,095,656	169,880	(54,000)	-	-	1,211,536
Highways, Waste and Property	15,191,699	(7,940)	(600,000)	-	-	14,583,759
Economic and Community Regeneration	3,971,504	26,590	(171,373)	-	-	3,826,721
Corporate Transformation	4,511,407	2,360	(42,890)	-	-	4,470,877
Resources (including Benefits Granted)	3,312,327	(164,560)	(30,000)	-	-	3,117,767
Council Business	1,570,765	54,016	-	-	-	1,624,781
Corporate Management	685,796	-	-	-	-	685,796
<b>Total Service Budgets</b>	<b>117,225,448</b>	<b>76,534</b>	<b>(2,451,246)</b>	<b>(172,800)</b>	-	<b>114,677,936</b>
Corporate and Democratic Costs	3,479,598	(11,578)	(110,000)	-	-	3,358,020
Recharges to HRA	(677,950)	-	-	-	-	(677,950)
Levies	3,551,629	(24,677)	-	-	-	3,526,952
Capital Financing	6,989,932	-	-	-	-	6,989,932
Discretionary Rate Relief	60,000	-	-	-	-	60,000
Council Tax Reduction Scheme	5,164,000	225,000	-	-	-	5,389,000
<b>Total Allocated Budgets</b>	<b>135,792,657</b>	<b>265,279</b>	<b>(2,561,246)</b>	<b>(172,800)</b>	-	<b>133,323,890</b>
General & Other Contingencies	1,609,180	-	-	-	277,118	1,886,298
<b>Total Budget 2019/20</b>	<b>137,401,837</b>	<b>265,279</b>	<b>(2,561,246)</b>	<b>(172,800)</b>	<b>277,118</b>	<b>135,210,188</b>
<b>Funded By</b>						
Revenue Support Grant	(72,405,175)	(632,163)	-	-	-	(73,037,338)
Non Domestic Rates	(22,753,674)	-	-	-	-	(22,753,674)
Council Tax Including Council Tax Premium	(36,842,437)	(2,576,739)	-	-	-	(39,419,176)
Council Reserves	-	-	-	-	-	-
<b>Total Funding</b>	<b>(132,001,286)</b>	<b>(3,208,902)</b>	-	-	-	<b>135,210,188</b>
<b>Difference Budget to Funding</b>	<b>5,400,551</b>	<b>(2,943,623)</b>	<b>(2,561,246)</b>	<b>(172,800)</b>	<b>277,118</b>	-

## APPENDIX 5 – EIA 1

### Isle of Anglesey County Council – Budget Proposals 2019/20 Impact Assessment Template

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	<p>Public Transport</p> <p>The Highways Department have undertaken a review of bus services, identifying routes with low passenger numbers and a high subsidy.</p> <p><b>Contract 50b</b> - Propose to cease operating 0713 departure from Amlwch to Llangefni under the 32 service number and propose to cease operating the journeys involved with this contract on a Saturday. This contract no longer operates at the time of writing on a Saturday afternoon, saving of £10.7k.</p> <p><b>Contract 63a</b> - Propose to cease operating the 63 service from Amlwch to Llannerch-y-medd to Bangor (via Brynteg) on Saturday afternoons, saving of £6.2k.</p> <p><b>Contract 43a</b> - Propose to cease operating every journey involved with this contract, saving of £95k. The current journeys serve housing estates and residential areas in Menai Bridge and Llanfairpwll and a single journey operating directly between Caernarfon and Llangefni.</p>
<b>2 - Who is the lead Officer responsible for the proposal?</b>	<p>Huw Percy, Interim Head of Service, Highways, Waste &amp; Property</p> <p>Iwan Cadwaladr, Senior Engineer Transportation</p>
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	<p>New proposal</p>

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

<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Bus passengers will be affected by this proposal. Particularly those users less-able to walk to the nearest bus stop.
<b>5 – How will this group of stakeholders be effected?</b>	The journeys in question will not be available to passengers.
<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 which may lead to more car journeys or the individuals being unable to travel. The regular passengers on the journeys in question will have to walk further to an alternative bus stop for 43a ceased services or use two connecting services.
<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.	There is a risk that reducing the public transport service budget could affect Bus Services Support Grant levels in the future. These grants are currently under review.
<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>	Before changing or ceasing any major bus journeys a further consultation exercise will be required. This involves consulting with specific users groups, councillors, town/community councils and members of the public over 3 months.  There is a requirement to give the bus operators 84 days' notice.

**Step 2: Assessment Result**

<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>By cutting the journeys in question it would result in the regular passengers being affected. In some cases, alternative journeys are available (journeys involved with contract 43a specifically).</p> <p>Passengers in Menai Bridge would have to walk to the B5420 and use the 62 service bus. Passengers in Llanfairpwll would have to walk to the A5 and use the 4/X4/42 service bus.</p> <p>Passengers travelling from Llangefni to Caernarfon would have to make a connection in Bangor or Ysbyty Gwynedd.</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>	Alternative bus journeys would be available for the affected bus passengers, but there would be a longer walk to those services. There are bus stops and shelters on the proposed routes and a more frequent service.
<b>12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?</b>  (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)	No

### Step 3: 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
	3 months consultation with users	IC	Commence November
	84-day Notice period to bus operators	IC	Commence December



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

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Cease School Crossing Patrol Service
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Huw Percy, Interim Head of Service, Highways, Waste & Property Jennifer Clark, Senior Engineer Strategic Transport and Road Safety
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	New - previous policy was one of not replacing school crossing patrols who left the service.
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	School Crossing Patrols - Kingsland, Holyhead Cybi, Holyhead (x 2) Llanfawr, Holyhead (1x permanent, 1 x relief) St. Mary’s, Holyhead Y Graig, Llangefni Amlwch Llanfechell Caergeiliog Llannerch-y-medd  Primary school children walking to school at the above schools. Parents are responsible for primary school age children at the above schools.

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

<b>5 – How will this group of stakeholders be effected?</b>	All staff affected would lose their posts.  Children/parents - it is currently the parents' responsibility to make sure children get to school safely - this will not change.
<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>	Financial - redundancy costs.
<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.	Removing school crossing patrols might increase the risk of children being involved in collisions.  Possible increased congestion outside schools and potential health implications due to less walking.  Negative publicity to the Council.
<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>	There would need to be consultation with the affected School Crossing Patrols and Schools.

## Step 2: Assessment Result

**10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)**

Removing patrols may increase the risk of children being involved in collisions, which may be mitigated by improving physical crossing facilities – an assessment will be required at all schools to identify any necessary provision where there is none currently, and to check the suitability of facilities where they exist.

### ***School***

### ***Current facilities***

Kingsland, Holyhead

No crossing

Cybi, Holyhead

Zebra crossings exist at both sides of the school but not at the locations used by the SCPs

Llanfawr, Holyhead

No crossing

St. Mary's, Holyhead

No crossing

Y Graig, Llangejni

Puffin crossing at SCP location, toucan crossing outside the school

Amlwch

Zebra crossing

Llanfechell

No crossing

Caergeiliog

Traffic island

Llannerch-y-medd

No crossing

Road Safety lessons will be provided by the Road Safety staff at the affected schools - at no extra cost to the Authority.

Education Service/Schools - Update their School Travel Plans

## Step 2: Assessment Result

**11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?**

The School Crossing Patrol (SCP) service is a non-statutory function. The Council currently follows the SCP service guidelines criteria for assessing sites which uses the PV2 formula as its basis ( $P = \text{Number of Pedestrians}$ ,  $V = \text{Number of Vehicles}$ ).

The relationship PV2 provides a measure of both the potential conflict and the delays experienced by pedestrians. It also accounts for the need to help small numbers of pedestrians to cross roads safely when traffic flows are heavy and the delays long; and conversely, large numbers of pedestrians when traffic was lighter and the delays shorter.

All SCP sites on Ynys Mon were assessed in 2007 and based on the PV2 formula, no sites were justified. The Authority therefore adopted the policy of not replacing SCPs who left the service. The PV2 figures have been reviewed and are anticipated to remain significantly below the threshold. The three routes to the new Ysgol Cybi site were assessed in September 2017 and all locations were below the threshold.

There are puffin or zebra crossings outside four of the schools (the ones located on the busiest roads) and road safety lessons will be provided.

**12 – Is there a need to re-consider this proposal as a result of undertaking this impact assessment?**  
(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)

No.

### Step 3: 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
	Review any marginal sites	JC	November 2018
	Consult with Staff	JC	December 2018

Isle of Anglesey County Council – **Budget Proposals 2019/20 Impact Assessment Template**

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Managing Requirements in several areas. The specific areas are 1) Number of placements within homes; 2) Number of hours of home care provided; 3) Support in supported living projects.
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Head of Adults - Alwyn Jones - with support from members of the team, specifically lola Richards and Barbara Williams, Senior Managers within the department
<b>3 – Is this a new proposal or one that's been previously considered?</b>	Annual offer.
<b>4 – Which group of stakeholders will be effected by this proposal?</b>	Individuals within service and those who wish to receive services for the future
<b>5 – How will this group of stakeholders be effected?</b>	There will be a change in the offer that individuals receive from the service with less pressure on solving individuals' demands and more focus on their personal resources and trying to avoid the services that increase dependency
<b>6 – Are you aware of any other proposal which could affect this group?</b>	Due to the nature of this saving, there is no link to any other saving
<b>7 – Are there any risks associated with this proposal?</b>	There is a risk that will continue to arise due to the demographic pressures of a change in practice within the service

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

<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, reduced dependence on service and increased in independence can be positive
<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

**Step 2: Assessment Result**

<b>10 – Can you note the main effects and how you would mitigate against the negative effects (i.e. summary of table above)</b>	Impact = Reduction in service offer Mitigation = Offer support based on individual assets and meet personal results
<b>11 – Is there a strategy in place to deal with those effects which aren't unlawful but cannot be mitigated or avoided?</b>	n/a

<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>
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**Step 3: 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 2019/20 Impact Assessment Template**

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Providing schools with a settlement which is lower than the full price of the whole pressure on them during 19/20
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Arwyn Williams
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	Yearly consideration in recent years
<b>4 – Which group of stakeholders will be affected by this proposal?</b>	Effect on school staff and on the capacity to sustain / raise standards  Indirect effect on pupils and on the provision and support given to them
<b>5 – How will this group of stakeholders be affected?</b>	Adhering to the cut which is being consulted upon, unavoidably there will be job cuts – that being of teachers, assistants or administrative staff.  Job cuts will place additional stress and pressure on the staff remaining in our schools, and will affect the maintenance, provision and resources for pupils.
<b>6 – Are you aware of any other proposal which could affect this group?</b>	See number 4 above.

### Step 1: The Proposal and Associated Risks

<p><b>7 – Are there any risks associated with this proposal?</b></p>	<p>Yes:-</p> <ul style="list-style-type: none"><li>• Deterioration of provision quality and standards</li><li>• Negative effect on staff welfare and morale</li><li>• Staff leaving work – clear pressure on Headteachers due to having to implement the cuts</li><li>• Increased number of our schools going into debt</li><li>• Less leadership time for Headteachers in our primary schools, especially in the smaller schools</li><li>• Substantial impact on the budgets of secondary schools and large primary schools</li></ul>
<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>	<ul style="list-style-type: none"><li>• Staff leaving their jobs / the profession</li><li>• More difficulty in attracting headteachers</li><li>• Estyn inspection results have been positive lately, and this is likely to be affected over a period of time due to full implementation of the cut.</li></ul>
<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>	<ul style="list-style-type: none"><li>• School Finance Forum, 6<sup>th</sup> of February</li></ul>

**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>The full cut will affect standards, provision and maintenance for pupils in our schools. Staff welfare and morale will be affected.</p> <p>Hard to mitigate; schools will basically have to find different ways of providing the service on less finance. With some schools it could be argued that this is possible, but with other schools it's very difficult to see how it's possible without either going into debt or endangering standards.</p> <p>A good number of Headteachers and Governing Body Chairs have contacted the Head of Learning noting that they cannot see how there are means to implement the cut.</p> <p>Officers of the education and finance departments have been working with headteachers and governing bodies to try to find ways to cut the 5%.</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>The priority will be to ensure pupil safeguarding and safety and to maintain standards. Raising standards will be very challenging considering the effect of cuts on those schools that don't have clear areas where finances could be cut.</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>The cut will mean that the majority of schools will be going into debt if they don't cut jobs. Most schools that continue to be in debt will be able to put a recovery plan in place over the years, but some schools will struggle to put a plan of this kind in place. Some schools are facing a state of going into debt (some of which will be substantial debts) or not being able to staff classes.</p> <p>The greatest price to pay is the possible effect this could have on the education of Anglesey's children. As a result, although the cut is possible, I believe it should be reconsidered since its effect would be so damaging.</p>

### Step 3 – 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 2019/20 Impact Assessment Template**

<b>Step 1: The Proposal and Associated Risks</b>	
<b>1 - What is the budget proposal you are assessing?</b>	Contributing towards maintaining the statutory stage of nursery provision
<b>2 - Who is the lead Officer responsible for the proposal?</b>	Arwyn Williams
<b>3 – Is this a new proposal or one that’s been previously considered?</b>	This was considered some years ago.
<b>4 – Which group of stakeholders will be affected by this proposal?</b>	Playgroups – staff, volunteers and committees  Parents of pupils attending a playgroup in the term of their child’s 3 <sup>rd</sup> birthday.
<b>5 – How will this group of stakeholders be affected?</b>	By accepting the proposal, the council won’t be contributing towards nursery education between the 1 <sup>st</sup> of September and the 31 <sup>st</sup> of December. The statute is to provide 10 hours of education in the term following the pupil’s 3 <sup>rd</sup> birthday.  Provision will be for pupils that are three years old before August 31 <sup>st</sup> in their primary school (except for Talwrn, Corn Hir, Henblas and Llandegfan). Pupils that are 3 years old between September the 1 <sup>st</sup> and December 31 <sup>st</sup> will receive nursery education in the first term after this, i.e. from 1 <sup>st</sup> of January onwards.  There will be opportunities for playgroups to attract income by providing care around the 10 hours, and for pupils that aren’t in their first term after their 3 <sup>rd</sup> birthday.

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

<p><b>6 – Are you aware of any other proposal which could affect this group?</b></p>	<p>-</p>
<p><b>7 – Are there any risks associated with this proposal?</b></p>	<p>Playgroups must take advantage of providing 30 hour care opportunities in order to create another source of income during the first term.</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>	<p>It's possible that there will be a side-effect on the nursery provision that could in its turn impact how ready pupils are to start in a school nursery class.</p>
<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>	<p>Discussion to continue with nursery classes and Mudiad Meithrin.</p>

### Step 2: Assessment Result

<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>In order to mitigate, playgroups are encouraged to attract another source of income during the first term of the academic year.</p> <p>An officer from the education department has already started discussions with a Mudiad Meithrin officer in regards to this.</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>	
<b>12 – Is there a need to re-consider this proposal as a result if undertaking this impact assessment?</b>  (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)	No

### Step 3 – 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

