ISLE OF ANGLESEY COUNTY COUNCIL					
MEETING:	COUNTY COUNCIL				
DATE:	8 MARCH 2011				
TITLE OF REPORT:	SECOND QUARTERLY REPORT FROM THE RECOVERY STEERING GROUP				
PURPOSE OF REPORT:	TO REPORT ON PROGRESS AGAINST THE TARGETS SET IN THE RECOVERY PROGRAMME				
REPORT BY:	THE CHAIRMAN OF THE RECOVERY STEERING GROUP				

INTRODUCTION

On the 14th September 2010 the Council endorsed its Recovery Programme (**Enclosure** 1) and established a Recovery Steering Group (RSG) to oversee its progress and report back to every ordinary meeting of the Council until such time as the Ministerial Intervention is brought to an end. The Terms of Reference and Membership of the RSG are attached (**Enclosure 2**).

PROGRESS

The RSG has met on four occasions. The first two meetings took place on 28th October 2010 and on 23rd November 2010. They were scheduled to be reported to the Council's December meeting but consideration of this, and other items, were deferred to an extraordinary meeting of the Council on the 8th February 2011.

In the meantime, the third meeting of the RSG had taken place on the 20th January 2011. The outcome of that meeting was also reported to the Council on the 8th February 2011 when the Council resolved :-

- To accept the current findings of the RSG namely that progress against the Recovery Programme is generally satisfactory and
- To endorse the process and principles adopted by the RSG to continue monitoring future developments against the key areas identified and the wider Recovery Programme.

As the RSG is not a formal committee, its Agendas and Minutes are not routinely published, so copies for the meeting of the 17th February 2011 are attached (**Enclosure 3**). For a detailed view of the matters discussed by the RSG, Members of the Council are invited to consider the Minutes but are asked to please note that they are currently in draft format only.

For the purpose of reporting back to the Council today, though, I intend to focus only on the issues described in the paragraphs below.

<u>GENERALLY</u>

The RSG has identified nine issues, satisfactory progress in respect of which we believe are fundamental to achieving a long term and sustainable recovery. Those key issues are listed at **Enclosure 4**.

To address these issues, the RSG agreed that it would invite presentations from each of the relevant Portfolio Holders, to update the RSG on each area in turn. The purpose of the presentations is to enable the RSG to assess the starting position, progress to date, proposed future developments, timetable and resources with a view to establishing the RSG's expectations/requirements for future reporting and monitoring. In essence, if good progress is being made, then only "light touch" monitoring will be necessary.

The RSG explicitly recognises that it has no decision making powers in these areas but is seeking the necessary information to enable it to discharge its responsibility in providing an assurance role to the Council.

MAIN ISSUES

As I indicated in my first report each of the relevant Portfolio Holders was to be invited to make presentations to up-date the RSG in each area in turn. As previously reported, the RSG, on 20th January 2011 considered **Inclusive Budget Process** and **Community Engagement**. Please refer to the Minutes of that meeting for details.

On the 17th February 2011 the following matters were considered:-

 The Statement from the Minister for Social Justice and Local Government dated 17th February 2011 (Enclosure 5).

A presentation was made by the Interim Manager Director regarding the Minister's statement which had been issued earlier that day.

Draft Constitutional changes Parts 1 and 2

The RSG endorsed the principle that the Council should review its Constitution and agreed with the way in which the new draft document was presented and made other recommendations.

Progress on Planning issues

Two matters of immediate concern to the RSG were planning policies and planning gain. Consideration was given to the joint Planning Policy working arrangements between Ynys Môn and Gwynedd and to the interim planning policies. The second part of the report dealt with planning gain and referred to the joint working projects through the North Wales Planning Officers' Group and that a consultant had been appointed to advise.

There is a further meeting scheduled for 17th March 2011. At that meeting consideration is to be given to:-

- Progress against the Human Resources Action Plan with particular emphasis on its ICT acquisition.
- Draft Constitutional changes Parts 3 and 4

The RSG has, and will, receive updates at every meeting on the wider Recovery Programme and will make any decisions or adjustments relating to elements of the Programme as and when required. Particular emphasis will be placed on any elements which appear to be stalling or failing to proceed at a reasonable pace and further information will be requested on any particular areas of concern. These will be reported to the Council. A copy of the current status of the Recovery Programme is attached at **Enclosure 6**.

RECOMMENDATIONS

Acknowledging that there are currently issues concerning the political aspects of recovery, to accept the current findings of the RSG, namely, that progress against the Recovery Programme generally continues to be satisfactory.

ISLE OF ANGLESEY COUNTY COUNCIL							
COMMITTEE:	COUNTY COUNCIL						
DATE:	14 September 2010						
TITLE OF REPORT:	ESTABLISH A RECOVERY STEERING GROUP OF THE FULL COUNCIL						
PURPOSE OF THE REPORT:	CREATE A MEANS TO PROVIDE REPRESENTATIVES OF THE FULL COUNCIL WITH:- - an overview/monitoring role of the ongoing Recovery Programme; - direct communication with the Recovery Board						
REPORT BY:	INTERIM MANAGING DIRECTOR						

Introduction

At it meeting on the 14th September 2010 the Council will be asked to endorse its Recovery Programme.

As well as identifying those steps already successfully completed, the Recovery Programme will set out further activities which the Council must undertake in order to satisfy the Minister and the Recovery Board that the Council is fit, and will remain fit, to run its own affairs without need for continuing government intervention.

The progress of the Recovery Programme must be monitored and, while there are a number of existing groups / committees which will have a role to play in this, it is proposed that a Recovery Steering Group (the "Recovery Group") be established. The overall arrangements would be as illustrated in the diagram at Annex A.

Terms of Reference

The particular role of the Recovery Group will be to monitor the Council's overall progress against the work streams/projects which constitute the Recovery Programme and to give the Council assurance that the projects are meeting their objectives and outcomes; or to alert the Council to any concerns/shortcomings and to make recommendations/ suggestions for remedial action. The projects included in the Recovery Programme are:-

- 1.0 Member Development
- 2.0 Engagement
- 3.0 Businesslike Council
- 4.0 Performance
- 5.0 Reputation
- 6.0 HR
- 7.0 Strengthen Governance

In conducting its work, the Recovery Group may refer matters to other bodies, such as the Audit Committee or the Standards Committee, for comment or review, as the Recovery Group considers appropriate.

Given that resources are finite, the Recovery Group will also have an important role in making recommendations for the prioritisation of activities within the Recovery Programme.

The external Recovery Board will need to be assured that changes and improvements are sustainable before they will recommend to the Minister that the intervention is brought to an end. The Recovery Board has stated "...we remain concerned that some "backbench" members are not yet adequately involved in, and supportive of, the recovery. Some in particular appear unable to detach themselves from attitudes and ways of working that have become thoroughly discredited, and from issues and rivalries which should have been buried long ago". It will be part of the remit of the Recovery Group to consider

whether the Recovery Programme is sufficiently robust to ensure that this issue is tackled and, if not, to identify further actions which the Council should take to enable all members to move forward cooperatively. In addressing this issue the Recovery Group may need to work collaboratively with the Member Development Working Group and the Standards Committee.

The Chair of the Recovery Group will report to each annual and ordinary meeting of the Council to give the Council assurance (or otherwise) that the Recovery Programme is being properly prioritised and resourced and that the timetable and outcomes are being achieved.

In addition to regular reporting to the Council, the Recovery Group will also engage in regular dialogue with the external Recovery Board. To identify appropriate and mutual expectations in this regard it is likely that the Recovery Group, once established, will have a meeting in early course with the Recovery Board to agree mutual expectations about communication and reporting.

Suggested Terms of Reference for the Recovery Group are attached at Annex B.

Support

It is suggested that the Group shall be advised by the Council's Project Assurance Officer whose primary role will be to assess the progress and performance of the Recovery Programme Projects and to report to the Recovery Group. Other relevant officers will also contribute to the work of the Recovery Group as appropriate to the particular matter or matters under consideration

Membership

Members need to decide on what basis the Recovery Group will be populated.

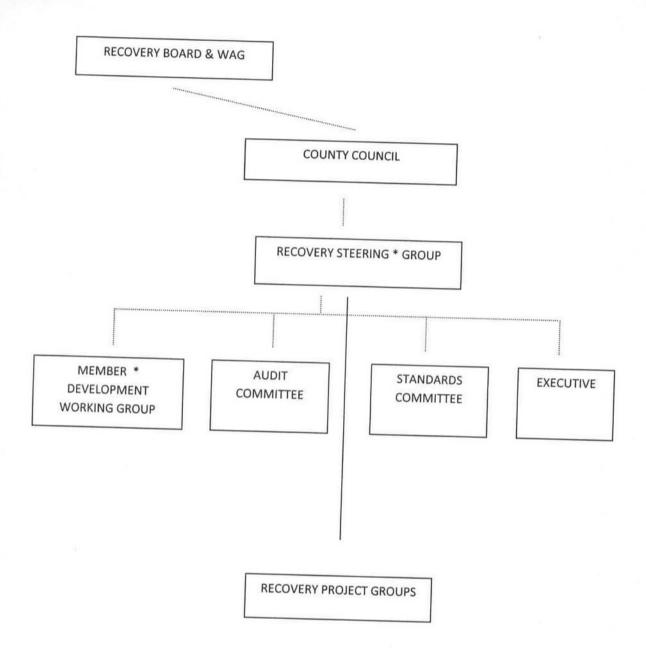
A number of factors may need to be taken into consideration:-

 Membership will have to take into account other responsibilities and obligations and no member should undertake a role on the Recovery Group without being satisfied that they have the necessary time and commitment

- As the issue of recovery is a matter of equal concern to all members, the Recovery Group should not be dominated by members of the Executive/Group Leaders
- Should there be a "cap" on the number of members and if so, what should it be?
- The desirability for both Executive and non-Executive members to be on the Steering Group
- The desirability to have both experienced and new members on the Recovery Group.
- The Chair of the Recovery Group might be
 - The Chair of the Council or
 - The Portfolio Holder for Corporate Governance or
 - A senior backbench member who commands respect from across the Chamber
- Whilst it is recommended that the Recovery Group shall not be politically balanced, members should decide whether to include representation from all groups/parties? In that case, each group/party would select its own representative.
- Should the Leader of the Council be a member?
- Should the Leader of the Opposition be a member?
- Should the Portfolio Holder for Corporate Governance and/or the Chair of the Corporate Scrutiny Committee be members?
- Should an unaffiliated member be appointed and, if so, how will he/she be selected?
- Should the Council select the Chair of the Recovery Group and allow the Chair to choose his/her own "team" with or without limitations or restrictions?
- Should the Chairs of the Audit Committee and/or the Standards Committee be members of the Recovery Group?

Recommendations

- Members confirm the Terms of Reference at Annex B. Any revisions or variations thereto to be clearly identified and agreed.
- 2. Members to decide on the Chairmanship and membership of the Recovery Group.



^{*}These are not formal Committees of the Council

RECOVERY STEERING GROUP

1.0 PURPOSE

1.1 To provide assurance to the County Council that the Recovery Programme, designed to remove the Council from Welsh Assembly Government Intervention, is robust and is being delivered.

2.0 MEMBERSHIP

- 2.1 To be determined by the full Council.
- 2.2 Not to be politically balanced. The Recovery Group will not be a formal committee or subcommittee of the Council but will be a working group, meeting in private session, and reporting to the full Council.

3.0 DURATION AND FREQUENCY

- 3.1 The Recovery Group will continue to operate for the duration of the Welsh Assembly Government's Intervention.
- 3.2 Will meet at least twice in each quarter and such meetings shall be timed in order to report directly to the Council.

4.0 DETAILED TERMS OF REFERENCE

- 4.1 To consider the overall Recovery Programme and monitor its delivery and progress.
- 4.2 To ensure that there is effective communication with members of the Council generally on progress and ensure wider member commitment and ownership.
- 4.3 To review reports from the Recovery Board and elsewhere and adjust the Recovery Programme as necessary.
- 4.4 To advise the Council on any further steps it needs to consider in order to accelerate the removal of the Council from formal Intervention by the Welsh Assembly Government.
- 4.5 To report to each meeting of the Council on progress against the Recovery Programme.
- 4.6 To act as a reference group for the external Recovery Board.

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ISLE OF ANGLESEY COUNTY COUNCIL

Minutes of the meeting held on 14 September 2010 (2:00pm)

8. ESTABLISH A RECOVERY STEERING GROUP OF THE FULL COUNCIL

Reported by the Interim Managing Director - That at it's meeting today, the Council would be asked to endorse its Recovery Programme.

As well as identifying those steps already successfully completed, the Recovery Programme would set out further activities which the Council must undertake in order to satisfy the Minister and the Recovery Board that the Council was fit and would remain fit, to run its own affairs without need for continuing intervention.

The progress of the Recovery Programme must be monitored and, while there were a number of existing groups / committees which would have a role to play in this, it was proposed that a Recovery Steering Group be established. The overall arrangements would be as illustrated in the diagram at Annex A of the report to Council.

The suggested Terms of Reference for the Recovery Group were attached at Annex B of the report. The report also referred to proposed officer support in order to assess the progress and performance of the Recovery Programme Projects and to report to the Recovery Group.

The report also referred to a number of factors which might need to be taken into consideration as regards the proposed membership of the Recovery Group.

A proposal was lost by Councillor Bryan Owen that membership of the Recovery Group should consist solely of backbenchers of the Authority.

Prior to the votem the Interim Managing Director pointed out that it was a matter for each political group to decide upon the member put forward, having regard to the desirability for both Executive and non Executive members on the Steering Group. However, he did agree with the general sentiment put forward today that if there was not a fair number of members from the backbenches, then the Group would not actually achieve its objectives. Through discussions via the normal political channels in terms of the nominations, the Council could try to comply with both the spirit of what Councillor Owen was trying to achieve but also make sure that there were some members from the Executive as well.

RESOLVED

- That Council confirms the Terms of Reference for the Recovery Steering Group as shown at Appendix B of the report.
- That the membership of the Steering Recovery Group shall be one member from each Political Group together with one unaffiliated member and that meetings of the Group be Chaired by the Vice-Chair of the Council."

AELODAETH GLLA / MEMBERSHIP OF THE RSG

Y Cynghorydd / Councillor G O Jones (Cadeirydd / Chair)

Y Cynghorydd / Councillor K P Hughes

Y Cynghorydd / Councillor T Lloyd Hughes

Y Cynghorydd / Councillor H Eifion Jones

Y Cynghorydd / Councillor Tom Jones

Y Cynghorydd / Councillor J Arwel Roberts

Y Cynghorydd / Councillor G W Roberts, OBE

Y Cynghorydd / Councillor P S Rogers

AGENDA

1. DECLARATION OF INTEREST

To accept any declaration of interest by any Member or Officer in respect of any item to be discussed at the meeting.

APOLOGIES

Councillor

MINUTES.

To submit for confirmation, the minutes of the meeting of the Recovery Steering Group held on 20th January, 2011 (ENCLOSURE 'A')

4. DRAFT CONSTITUTIONAL CHANGES - PARTS 1 & 2.

To submit a report by the Director of Legal Services / Monitoring Officer. (ENCLOSURE 'B')

5. BRIEFING PAPER: PROGRESS ON PLANNING ISSUES

To submit a report by the Head of Service (Planning and Public Protection) (ENCLOSURE 'C')

PROGRAMME MANAGEMENT

To submit a verbal report by the Programme Management Consultant

NOTES OF A MEETING OF THE RECOVERY STEERING GROUP HELD ON 17 FEBRUARY, 2011.

PRESENT:

Councillor G.O.Jones (Chair)

Councillors K.P.Hughes, Tom Jones, J.Arwel Roberts, P.S.Rogers.

IN ATTENDANCE:

Interim Managing Director

Corporate Director (Planning and Environment) Director of Legal Services/Monitoring Officer Head of Service (Planning and Public Protection)

Solicitor to the Monitoring Officer

Programme and Business Planning Manager (GM)

Project Officer (AJ)

Committee Services Manager

APOLOGIES:

Councillor Bob Parry, OBE (Portfolio Holder), H.E.Jones, J.Arwel Roberts, Mr. Ian Bottrill (National Development Director, Contin You,

Cymru).

The Interim Managing Director provided the members of the RSG with a copy of the written statement by Carl Sargeant, Minister for Social Justice and Local Government which he had received within the last hour.

The Minister expressed in his letter that he had lost any trust or confidence that he had in elected Members of the Council in their continuing jockeying of positions, that the Council was unstable and that Members reneged on agreements. The promises made by Members were hollow and did not set an acceptable background for the delivery of public services. He was minded to now consider a more intensive form of intervention but he had not yet decided what form of intervention that would be. To assist him in this respect the Council would be subjected to a new Corporate Governance Inspection which would be short, sharp and sweet. This would be conducted mainly next week and that would be the final piece of information the Minister required before deciding on his final form of intervention.

It was the IMD's view that the Minister would be looking at a range of options including the zero allowance option where the Minister would take every single power away from elected Members to something more targeted. It was inconceivable to the IMD that the Minister had written this statement, which was quite blunt without intending to do something.

Those Members who had been led to believe by certain Members that the recent deal put together was a salvation, had not been well received off the Island. The Minister had taken an extremely dim view of people reneging on agreements and took an extremely dim view of the constant jockeying of positions. The IMD stated that he had made it clear that in areas such as Education, that it was difficult to rationalise schools if the Department did not know who their next Portfolio Holder was going to be from one day to the next.

The IMD was fearful that if Commissioners were appointed, the prospect of collaboration with Gwynedd would disappear and there would overtime be a forced merger with Gwynedd. He thought that this would be a great shame and a great pity but thought that this was what this Council now probably faced. It was difficult to see how the Minister could write in these robust terms without thinking of doing something dramatic. It was inconceivable to the IMD that this Council was not going to have a substantial deepening of the intervention.

The problem that faced this RSG was that it could do nothing about it in the short term but it did have an obligation to try and support the recovery of the Council. The Minister's letter was quite clear in distinguishing between service delivery and the performance and contribution that Officers made and his perception of what was happening within the political domain.

One could understand these things happening if there had been turf warfare about the scale and nature of cuts, about the pace of reform of the educational system or deep rooted philosophical differences on the provision of public services. However, it was about individual responsibility and individual personal behaviours. The IMD did not see how the RSG could report back to Council on 8th March and refer to the progress being made and not refer to the contents of the Minister's letter. It was something that the Members of the RSG needed to reflect upon over the next few days.

The reward systems within the Council were based on shifting sand, personal patronage, reward, either through power or recompense. Until that system was broken and the overwhelming majority of Members denounced that style of politics, then the Commissioners were going to come in and they would be here for a very long time. It was a great pity that not all Members of the RSG could be present today.

This RSG had a problem and the IMD was not clear as to how the matter should now be dealt with at Council on 8th March. Members could not continue to delude themselves that what the RSG was currently doing was working, because it was clearly not.

The IMD considered however, that there was a window of opportunity. The way local government was proceeding, one either collaborated with your neighbours or you were forced to merge in due course. Anglesey needed a strong respected democratic institution that stood up for the Island, maximised investment in Wylfa for the benefit of the Island and not for the benefit of developers. If Commissioners came in, this would become the slippery slope to a forced merger with Gwynedd. If this Council could placate the Minister so that all he did was to tighten his intervention powers by retaining Members allowances or preventing Members appointing staff, etc and resurrect the scoping study with Gwynedd, then that would be in the best interests of Anglesey. However, in his opinion the Minister would not do that whilst what was happening was totally unchallenged by the majority of Members. Members needed to stand up and challenge that this was the wrong way of doing politics and simply no longer acceptable.

Some Members had given the IMD their word and reneged on it and he found that difficult to stomach. If those Members were prepared to do that to him, the Recovery Board and the Minister, what were they prepared to do if they weren't involved?

The Director of Legal Services/Monitoring Officer was of the opinion that the RSG had to address at Council what the Minister had said and this would need to be drafted by Members and not Officers. The elected Members of the RSG needed to meet and draft something in response which would accompany the more technical part of the report to Council. This would have to be completed by 12 noon Friday 25th February to meet the deadline for receipt of Committee papers.

The Chair was of the opinion that it was incumbent upon the RSG to express its views to Council on 8th March. Members present were of the same opinion.

The IMD went on to state that Members who had been told that all this had been cleared in Cardiff was not correct. Every bit of advice the IMD had given had been completely ignored. If Members were under the allusion that a deal had been done they might act one way but if they were told a different version of events then they may act in a different way. There was a relatively good budget in the process of being finalised. However, the breakup started when certain Members stated that the budget was dreadful and that there was no sign of a budget. We now had a document stating that they supported the budget but the original reason for trying to oust the present Leader was that there was no budget.

DECLARATION OF INTEREST.

None to declare

APOLOGIES

Apologies received and noted above.

MINUTES

Submitted and confirmed, the minutes of the meeting of the Recovery Steering Group held on 20th January, 2011.

DRAFT CONSTITUTIONAL CHANGES.

Submitted - A report by the Director of Legal Services/Monitoring Officer on proposed changes to the Council's Constitution.

At Enclosure 'A' was a revised draft of parts 1 & 2 of the Constitution with further revisions to be submitted to subsequent meetings. The intention was to try and present a simplified document, partly for the benefit of Members and officers, but mainly for the benefit of the public in order to promote a greater understanding of the Council's roles and functions.

At Enclosure 'B' was a summary of the changes proposed and as reflected in Enclosure 'A'. Most of the suggested changes were about format rather than substance or were relatively insignificant. The fundamental changes proposed in Parts 1 & 2 as regards the presentation of petitions to Council by members of the public and the suggestion that they also be provided with a 'question time' session were listed at paragraph 2.3.1(a) of Enclosure A of the report.

In addition to the report before the RSG today, the Director of Legal Services / Monitoring Officer, drew attention to the need to strengthen the Constitution whereby if a complaint was received against any Councillor of the same Town/Community Council as the representative on the Standards Committee, then there was a requirement to have an additional Town/Community Council member to serve on that Committee.

RESOLVED

- To endorse the principle that the Council should review and refresh its Constitution;
- To agree with the way in which the new draft document is presented in terms of layout, style,language, etc;
- To agree that members of the public be entitled to present petitions to the Council meeting and to speak in support of their petition and subject to conditions be also entitled to address the Council in a "question time" type session;
- That authority be given to Officers to move forward with the consultation process with all Council Members.
- To endorse the suggestion put forward by the Director of Legal Services / Monitoring Officer and to recommend to the Executive and to the County Council that the number of Town/Community Council representatives on the Standards Committee be increased from one member to two.

5. BRIEFING PAPER: PROGRESS ON PLANNING ISSUES.

Reported by the Head of Service (Planning and Public Protection) - That in response to the Corporate Governance Inspection, the Planning Service drew up an Improvement Plan last year in consultation with stakeholders. The Plan included reference to the two matters of immediate concern to the Steering Group, namely planning policies and planning gain.

The first part of the report detailed joint planning policy working arrangements between Mon and Gwynedd and also referred to Interim Planning Policies which were necessary to fill the gap between the out-of-date Development Plan together with the stopped UDP until the adoption of the LDP in 2016.

The second part of the report dealt with Planning Gain which to date this Council had been unable to progress very far in a co-ordinated manner. The situation was further complicated by this Authority's out-of-date policy framework. All other North Wales Planning Authorities were in a similar position and hence an effort had been made to progress a joint working project through the North Wales Planning Officers Group. However, this Group had failed to make sufficient progress and in December agreed to appoint Consultants to advise (within a period of 16 weeks) on how to take this forward and appoint a regional officer to support Councils in improving planning gain payments. At the end of the Study it was expected that Councils who wished to participate would agree an Action Plan and implement the recommendations.

RESOLVED to note the position.

6. PROGRAMME MANAGEMENT

The Programme and Business Planning Manager handed out progress summary sheets and talked through the process established to monitor Council projects.

Where there were delays or issues requiring attention, these would be highlighted by means of a traffic light system and recommendations brought to this Group for approval. Those marked in red were the ones that this Group needed to focus upon.

RESOLVED

- To note the position and to approve the recommendations put forward icluding the explanations provided regarding delays and that a further progress report be brought back to the next meeting of this Steering Group.
- That the Programme Office be requested to prioritise the Recovery Programme subset entitled 'Making the Council More Business Like."

7. NEXT MEETING

The next meeting would be held on 17th March, 2011 and it was RESOLVED that consideration be given at that meeting to a review of Human Resources, with particular emphasis on the ICT acquisition as part of the 9 key areas identified by this Steering Group and that an invitation be extended to Councillor C.LI.Everett, Portfolio Holder to attend.

The meeting concluded at 4.05 pm

COUNCILLOR G.O.JONES (CHAIR)

DRAFT RECOVERY STEERING GROUP WORK PROGRAMME DECEMBER 2010 -- MAY 2011

	community Engagement	Democratic Renewal	HR	Inclusive Budget Process	LDP/Interim Planning Policies	Member feedback on the effectiveness of training and development	Planning Gain	Protocol for Managing Underperforming Officers and the role of Members	Underlying Member Conduct
INFORMATION/ CONTENT?	24								
FORMAT?									
LEAD	Huw Jones Head of Service -Policy	Alan Williams Central Support Manager	Carys Edwards Human Resources Services Manager	David Elis-Williams Corporate Director – Finance	Jim Woodcock Head of Service - Planning	John Penri Williams (Chair of the Member Development Working Group) and Miriam Williams Senior Development Officer	Jim Woodcock Head of Service - Planning	David Bowles Interim Managing Director	David Bowles
WHEN AND HOW	OTEN		e						

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WRITTEN STATEMENT BY THE WELSH ASSEMBLY GOVERNMENT

Title:

Isle of Anglesey County Council

Date:

17 February 2011

By:

Carl Sargeant, Minister for Social Justice and Local

Government

I would like to update Members on recent developments within the Isle of Anglesey County Council, and how I propose to respond to them.

The Assembly will recall that in July 2009 the Auditor General for Wales identified very serious failures within the Council: poor behaviour by members, weak relationships between members and officers, inadequate strategic planning and low levels of public engagement. The Auditor General recommended that we intervene to help secure recovery, and a month later Brian Gibbons directed the Council to address all of the problems that the Auditor General identified within 18 months. He also removed certain functions from the Council and appointed an interim Managing Director and a Recovery Board to monitor the Council's progress.

Since then, it is fair to say that the Council has moved forward in some areas. It has overhauled its scrutiny system to give all councillors a better say in Council business. It has ended the practice of appointing councillors to committee chairs and outside bodies on the basis of political loyalty and favouritism.

However, some of the most serious problems have not gone away. The conduct of many councillors suggests that their primary aim is to manoeuvre for personal and group advantage rather than to deliver for the whole of the island. Making and breaking political deals remains a pervasive feature of the Council's political culture, leading to turmoil and uncertainty that is in no-one's

interests. Last June, for instance, the Leader left his group, which he believed was undermining him and the recovery. He formed a new alliance which nonetheless failed to attract majority support. Since Christmas, there have been several attempts to overthrow that alliance and replace it with one of a number of different configurations, all of which would involve former allies being in opposition to each other, and put former opponents in power together.

Alongside that, Council politics remains dominated by a number of shifting independent factions which seem to be little more than alliances of personal convenience. Since we intervened, two new groups have been set up and an old one has been dissolved. Many executive portfolios have been held by several different members over the past 18 months. And it is sometimes hard to keep track of allegiances and rivalries from one week to the next.

Some might say that politicians are by nature a fractious bunch, and what we have seen is no more than routine local politics. I disagree. I have no interest whatsoever in who the leader of the council is, or who forms an administration. What I expect, and what recovery demands, is stability. As I have made very clear on many occasions, all councillors need to focus their energies on delivering for the island, and in reforming the Council's structures, practices and culture to that end. This is not just a matter for the Council's leader and the executive – whoever that may be. There is a collective responsibility for members to ensure that the Council delivers for the people of the Anglesey.

Of course, any democratic body has the right to choose its leadership, and to replace a regime it does not support. But this constant jockeying for advantage undermines recovery and hinders the business of the Council . What is profoundly disappointing for me is that now many of those apparently involved in recent developments gave personal assurances to my Recovery Board that they would not destabilise the current administration in the interests of securing recovery. Those assurances have proved to be hollow. All this suggests that little has changed during our intervention, at least in the minds of some councillors. It can only deter those seeking to work for or collaborate with the Council, or those contemplating investment on the island. And it gives me no confidence that the Council will be able to address the severe financial and delivery challenges that all local authorities face coherently and strategically. Overall, it appears that the corporate governance of the authority is not improving as I had hoped.

Amidst all of this it is too easy to lose sight of the Council's staff. They continue to work very hard in the most trying of circumstances to deliver for the island, and it is to their great credit that Anglesey's services remain mostly good and sometimes excellent. But that can only work on a day-to-day basis: even the best officers need sound and consistent political leadership to address strategic delivery issues like school rationalisation and social care reform. Staff are not getting that, and until the political culture changes, nor will they. On the contrary, they are profoundly and understandably dispirited and demotivated by what they see within the authority from some elected

members. It is only a matter of time before this starts to affect front-line services and the necessary improvements to them.

I cannot ignore this situation or pretend that everything will turn out right in the end Our intervention so far has aimed to help the Council to achieve its own recovery, and with the considerable support of the Recovery Board and the WLGA some progress has been made. But I am becoming seriously concerned that in some important areas the Council's members do not want to recover. That leads me to believe that the current intervention does not stand a reasonable prospect of success if such conduct is allowed to continue. If so then I will have to consider a new and more stringent form of intervention, both to hasten recovery and to protect the island and its citizens.

I have already heard the views of my Recovery Board on this. They acknowledge the progress made but see little prospect of a sustainable recovery. That suggests a case for further action. The status quo cannot continue as the lack of stability and good corporate governance strongly suggest an inability to take cogent strategic decisions, and could quickly start to affect routine service delivery. What any further form of action or intervention should be is not clear to me at present. While my powers are wide-ranging, their potential implications mean they need to be exercised very carefully and equally I need to ensure that any action I decide to take will be secure the improvements which appear to be essential. It is also important to realise that Anglesey's problems are fundamentally about political culture and values — not issues that can be easily resolved by a stroke of the Ministerial pen.

I have therefore asked the Auditor General to re-inspect the Council urgently, and, if appropriate, to make recommendations. That is part of his statutory remit, and also allows him to consider how far the earlier recommendations have been discharged within the 18-month deadline that our 2009 direction set. But the Council should be in no doubt about the gravity of the situation it is now in, and a situation which it has largely brought on itself. I will consider the recommendations from the Auditor General very carefully in deciding what further action to take. I will not speculate on any consequences for the Council in advance of any report from the auditor as I do not want to prejudge the issue. However, I will say that if the Council spurns opportunities to resolve its problems, and the extensive support we, the Recovery Board and the WLGA have provided as part of that, it will only have itself to blame.

I will make a further statement to the Assembly once I have received and considered the Auditor General's findings.