

Public Document Pack

THE EXECUTIVE

Monday, 16 February 2015 (10.00 am)

Please find attached, the report marked “**TO FOLLOW**” on the Executive agenda which was not received by the agreed cut-off time.

6 **BUDGET 2015/16** (Pages 1 - 44)

(a) To submit the report of the Interim Head of Function (Resources) and Section 151 Officer on the Executive’s Final Revenue Budget Proposals for 2015/16 inclusive of consultation outcomes.

(b) To submit the report of the Corporate Scrutiny Committee on Scrutiny feedback.

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ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE
DATE:	16 FEBRUARY 2015
SUBJECT:	MEDIUM TERM FINANCIAL PLAN AND 2015/16 BUDGET
PORTFOLIO HOLDER(S):	CLLR H E JONES
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A - Recommendation/s and reason/s

1. MEDIUM TERM FINANCIAL PLAN AND 2015/16 BUDGET

1.1 Purpose

The Executive has to agree a number of key 2015/16 budget matters, for recommendation to full Council on 26 February 2015. These are:-

- The Council’s revenue budget and resulting Council Tax 2015/16;
and to note:-
- The Council’s approach to the Medium Term Financial Plan;
- The use of one-off funds to support the budget currently forecasted which is subject to regular monitoring to the Executive;

1.2 Summary

This paper shows the detailed revenue budget proposals requiring final review and agreement for 2015/16 and the resulting impact on the Isle of Anglesey County Council’s Budget. These are matters for the Council to agree and the Executive is asked to make final recommendations to the Council.

It also updates the Medium Term Financial Strategy which provides a context for work on the Council’s future budgets.

2. REVENUE BUDGET AND COUNCIL TAX 2015/16 RECOMMENDATIONS

The Executive is requested:-

- To note the formal consultation meetings on budget and consider the resulting feedback, as outlined in Section 2 and Appendix 1 and 2;
- To note the equalities implications summary on the budget proposals in Section 10;
- To agree that, within the proposed budget, schools are given an increase in budget which meets the Welsh Government’s pledge for schools funding, as detailed in paragraph 3.2;
- To agree the final details of the Council’s proposed budget, investments, pressures and savings as shown in Appendices 3 & 4;
- To note the Section 151 Officer’s recommendation on the minimum General Fund Balances be maintained at £5m, the confirmation of the robustness of the estimates underlying the proposals and the adequacy of the General Reserves in the context of other earmarked reserves;

- To recommend a net budget for the County Council and resulting Council Tax to Council, noting that a formal resolution including the North Wales Police and Community Council Precepts which will be presented to the Council on the 26 February 2015;
- To authorise the Section 151 Officer to make such changes as may be necessary before the submission to the Council;
- To approve the inclusion of the 'School Breakfast' efficiency saving as part of the efficiency saving register in Appendix 4. However, to note that if this efficiency saving is not achievable or acceptable following full consultation and scrutiny (paper to be brought to the Executive in due course - end of May 2015) there is a specific contingency which is in place where the Executive are able to instruct the Section 151 Officer to release;
- To agree that any unforeseen pressures on demand led budget during the financial year will be able to draw upon funding from the general contingencies budgets;
- To recommend a 4.5% Council Tax increase to full Council.

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

C - Why is this a decision for the Executive?

CH - Is this decision consistent with policy approved by the full Council?

D - Is this decision within the budget approved by the Council?

DD - Who did you consult? What did they say?

	Who did you consult?	What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

E - Risks and any mitigation (if relevant)

1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	

F - Appendices:

Appendix 1 – Making a Difference – Efficiency Strategy Survey Results 2014
 Appendix 2 - Meeting the Challenges – Replies to consultation
 Appendix 3 – Summary of the Draft Standstill Budget and Budget Gap 2015/16
 Appendix 4 – Proposed Efficiency Savings 2015/16

FF - Background papers (please contact the author of the Report for any further information):

1. BACKGROUND

1.1 A joined up approach

1.1.1 A number of different reports for 2015/16 are being presented to the Executive in addition to the main revenue budget report. These separate reports are on the monitoring of the return 2014/15 the Council's Treasury Management and Capital Strategy. Whilst the detail behind these were always 'joined up', bringing them together gives a clear picture of their connectivity and the inter-relationships between each and, crucially, how they meet the needs of ensuring that the Council's funding is allocated to meet its priorities.

1.1.2 The financing cost of the Capital Programme depends on the Council's Minimum Revenue Provision Policy and the scale of the Capital Programme itself. The financing costs are a discreet budget in the Council's overall revenue budget:-

- The Council's Treasury activities are affected by a number of issues, in particular its borrowing requirements which, in turn, depend on the scale of the Capital Programme as well as the treasury policies around how the Capital Programme is to be funded from a 'cash' perspective.

The revenue budget, in general terms, has been largely driven by the Council's Medium Term Financial Strategy (MTFS) which highlighted the key drivers across Welsh Government Grants, capital financing costs, costs of key corporate priorities and the resulting need for budget savings.

1.1.3 Therefore, the Executive is invited to consider the key budget issues together:-

- Recommend an overall revenue budget and resulting Council Tax to the Council;
- Recommend the Council's Treasury Management and Investment Policies, plus its Prudential Indicators to the Council;
- To note the current position on the Council's Medium Term Financial Strategy (MTFS);
- To note the current position on the 2015/16 budget.

2. THE COUNCIL'S CONSULTATION

2.1 Consultation

2.1.1 During the summer of 2014, Elected Members approved a budget strategy for 2015/16 and the Medium Term Revenue Financial Strategy (MTRFS). In the autumn, the assumptions that had been approved were further reviewed and refined in the light of more up to date information, and detailed budget proposals within parameters agreed by the Executive were reported in December 2014.

In December 2014, the Executive approved the detailed draft budget proposals with an updated MTRFS, which have been consulted on as follows:-

- With all elected Members through a workshop session on the 3 February 2015;
- With all Scrutiny Committees in their 3 February 2015 meeting where Subject Scrutiny Committees reviewed their discrete parts of the budget and Corporate Scrutiny summarised all those views and scrutinised the budget proposals as a whole package;

- With the Schools' Forum on the 12 January 2015;
- With the Town and Community Councils on 21 January 2015;
- With the public, via the Council's website as per consultation details included as an appendix (1 & 2) to this report.

2.2 Public Consultation

- This autumn, we launched the "Making a Difference" debate, where we asked for the public's views on where we should focus our efforts over the next three years in order to deliver modern public services which are fit for purpose. We undertook an online consultation and visited town markets, libraries and supermarkets to gain the views of the public;
- This survey returned 433 responses online, by letters and through face to face questionnaires administered across the island. In considering the majority of proposals/ideas presented as part of this consultation exercise, as well as the previous exercise undertaken in 2013, the overall response indicates that the Council have presented options that the citizens of Anglesey are in broad agreement with. (see Appendix 1);
- The draft report was constructed on the basis of a proposal to increase Council Tax 5% annually over the next three years;
- In setting the budget for 2015/16, we consulted on "Meeting the Challenges" our 2015/2016 Budget Consultation exercise which started following the Executives endorsement of the Efficiency Strategy on 15 December, 2014. The consultation ran for 6 weeks until 23 January 2015, and included an opportunity to respond online, through letters or at drop-in sessions arranged by the Leader of the Council;
- Engagement and participation in this discussion was promoted via different means, including; local / regional press briefing, press releases and coverage in local/ regional press, targeted push via social media, and word of mouth promotion by Councillors at various community meetings;
- The drop-in session by the Leader of the Council visited a number of different venues across the island (Holyhead, Beaumaris, Amlwch, Rhosneigr and Llangefni), and a summary of the topics raised by individuals at these sessions are also included in the analysis;
- Appendix 2 includes the responses received to this consultation and represents comments from bodies/organisations and individuals;
- A total of 73 responses were received to the "Meeting the Challenges" consultation exercise. 6 from organisations such as Town & Community Councils, 13 through Leader Drop-in sessions and 55 anonymous individual online responses;
- Whilst this represents a small number of respondents in comparison with a population of in excess of 69,000 it provides the possible assurance that on the whole the Council is aligning its budget proposals in line with citizen expectation;
- In all, therefore over 500 responses have been received either through the initial consultation on our Efficiency Strategy 2014-2017 or thereafter on our proposed Budget consultation 2015/2016.

2.3 Town and Community Councils

Responses from Town Councils such as Beaumaris and Amlwch highlighted concerns re: the tourism sector and impact of proposed changes on the tourist industry, the need for greater detail on the budget proposals for consultation purposes, and questioning the rate of Council tax rise.

Further feedback to the proposed rise in Council Tax was presented through letter by Malltraeth Ymlaen and Llanfaelog / Cwm Cadnant Community Councils would prefer a rate rise of approx. 4-4.5%.

Cyngor Cymuned Pentraeth on the other hand, noted that they were almost unanimous in their opinion that the efficiencies proposed were reasonable bearing in mind the financial climate within which the Council operates.

At the Town & Community Council meeting held by the Council mid-January to discuss the initial budget proposals:-

- further questioning of the council tax rise was evident;
- the implications for tourism falling out of the proposals was queried;
- reviewing the proposal of charging for replacement bins lost;
- requesting that closure of recycling centres didn't happen at weekends.

In addition, concern of increasing fees and charges for post 16 travel and potential implications of decreasing investment into the JPPU was evident together with the charging for breakfast on non-free school meal pupils.

3. REVENUE BUDGET 2015/16

3.1 The initial draft revenue budget and efficiency savings proposals were presented to the Executive in December 2014, which presented a draft standstill position budget, highlighting a potential gap of £4.080m between the standstill position and the total Aggregated Exchequer Funding and 5% increase in Council Tax.

3.2 The report also referred to the ongoing work to identify the savings required at 10% across all departments. As was noted in the report, it was not expected that this target would necessarily be split evenly between all Directorates; with the setting of a target higher than the absolute percentage saving needed it was intended to allow for the incorporation of protection of Education to the tune of 0.6% and also to allow for prioritization.

3.3 The standstill budget included a 'process contingency' of £630k for issues which had been identified as likely needing additional funding but it was still too early to quantify. The process contingency is usually taken out at the end of the budget process, replacing it with a 'general contingency'. This process contingency will now be allocated at the end of the process to any service to assist with any on-going pressures. There will be sum available for 'general contingency' from this for 2015/16, but other sums have been set aside see Appendix 3.

3.4 Since the draft budget proposals were presented to the Executive on the 15 December 2014, a number of issues have emerged which require amendments to the proposals and these are summarised in the table below:-

1	Following updated information to the Planning Delivery Wales, the Local Development Plan and removal of a previous growth bid that had expired. This resulted in a net movement of £120k.
2	Confirmation of the Outcome Agreement has now been received, with a slight reduction from what was expected by £6k.
3	There is a minor change to the Levies line, which has reduced by £15k.
4	A net increase of £242k in the savings proposals put forward in the December 2014 Executive Paper, which will increase the options available to Members.

- 3.5 The Executive is requested to confirm the adjustments outlined above.
- 3.6 Senior Management re-structuring - during 2015/16 a Senior Management Restructure is to take place, with expected efficiency savings to be in the region of £300k. Work has already commenced on this proposal.

4. SAVINGS

- 4.1 Following on from an Executive decision on the Medium Term Financial Plan (MTFP) in July 2014, a Gross Budget analysis was calculated by the Resources Function and, in September 2014, all departments were asked to provide over a three year period a 10% targeted efficiencies proposal in order to meet the three year projected budget gap. However, it was recognised from the outset that a more flexible approach than a uniform percentage reduction across all services was needed to allow for the fact that there were some services where it was recognised that consideration needed to be given to developing proposals whilst also needing to give protection the Delegated Schools Budgets.
- 4.2 Different options for savings profiles were presented by departments which identified possible areas for savings. Those proposals have been reviewed for financial achievability and only those where the Resources Function is content that they are financially robust have they been passed for consideration by the Executive. Though it is important to note that a full guarantee of deliverability of the savings cannot be obtained through the financial checks alone.
- 4.3 The proposals were challenged, reviewed and validated over the following weeks, which included a Members' workshop and public consultation.
- 4.4 During the Scrutiny and Consultation processes, the following areas were highlighted for further consideration.

Report to follow from Scrutiny Committee.

- 4.5 From this a final list of proposed savings has been drawn up. This is summarised below and set out in detail in Appendix 4:-

Budget 2015/16: Targets and Final Proposals		
Directorate	10% Target £'000	Final Prioritised Savings Proposals for Delivery £'000
Lifelong Learning (including Schools)	737.0	670.4
Community Services	4,351.0	728.3
Sustainable Development	2,282.0	1,966.2
Deputy Chief Executive/Corporate and Democratic Costs	1,042.0	960.6
Total	8,412.0	4,325.5

5. PRESSURES AND GROWTH

- 5.1 Due to the increasing budget pressures and current financial climate, it was decided that there would be no room for growth bids. Approval for any Growth bids now will only be met in exceptional circumstances.

6. COUNCIL TAX

- 6.1 The standstill position within the December 2014 Executive Report assumed a Council Tax increase of 5%. This equates to £981.41 per annum or £18.87 per week on a Band D property.

- 6.2** Each 0.5% reduction or increase is equal to approximately £150k. If the council tax is set at a rate lower than this, the equivalent amount would have to be found through further savings in services. A 5% increase equates to a weekly increase of 94p for a Band D property.
- 6.3** A 4.5% increase equates to a 85p per week increase on Band D properties and would provide Council Tax revenue of £30,840,000.
- 6.4** Even with a 4.5% increase, Members are reminded that overall the Council Tax level in Anglesey remains one of the lowest in Wales. The Council Tax level for Anglesey across the 22 Authorities in Wales was 16th and below the Wales average in the financial year 2014/15.
- 6.5** Given the tight financial position, the risk inherent in the current proposals and the impending financial forecast for the next few years highlighted in all the previous budget reports, there is limited flexibility. Any reduction in the proposed council tax increase or increase in investment will need to be met by further savings generated from the services or cuts in service provision.

7. GENERAL AND SPECIFIC RESERVES, CONTINGENCIES AND FINANCIAL RISK

- 7.1** The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget. The key financial risks are highlighted below:-
- Any projected overspend in 2014/15 has direct implications for the 2015/16 budget, both in terms of assessing the robustness of individual services' budgets and in the adequacy of the level of general reserves. A net overspend position of £154k is currently forecast at the corporate level and, given the financial risks around a number of budget areas within the Council, this has been an important part of framing the final proposals in respect of the levels of both savings and contingencies;
 - Savings proposals in this report amount to £4,325.5k and will need to be delivered in order to achieve a balanced budget for 2015/16. 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;
 - A number of the individual proposals have already been secured, but there are others across nearly all service areas that are very challenging. The scale of the savings required has necessitated the inclusion of challenging strategic and transformational proposals. There is an inherent financial risk around achieving changes in time to deliver this type of planned saving;
 - Inflationary levels have only been applied to employee costs and any ongoing contracts.
- 7.2** In terms of any contingencies and reserves, the Section 151 Officer needs to review these in their totality in conjunction with the base budget itself and the financial risks which face the Authority. In addition, this review should incorporate a medium term view where needed and should take into account key developments that may impact on the need and use of one off resources.
- 7.3** A robust view is being taken on managing budget risks and protecting the financial health of the Council at this time. This is particularly the case when one off funds need to be adequately protected to fund future strategic/transformational changes as opposed to funding significant overspends on the base budget itself.

- 7.4 Account has been taken of the need to keep the immediate reductions in spending and the resulting impact on services to a minimum, but this must be balanced against the need to ensure the medium and long term financial stability of the Council, and for savings to be implemented over the coming years in a phased and structured way. In addition, there is always some risk of unforeseen items of expenditure or overspending because of a more general pressure on a service budget, and reserves must also be adequate to absorb these pressures.
- 7.5 In determining the threshold of £5m, consideration was given to the general 'rule of thumb' analysis for the level of general reserves which suggests this is at least 5% of net revenue expenditure (excluding school budgets), unless a formal risk assessment justifies a lower level. This implies a level of £6m for Anglesey. However, taking the approach outlined above, this would give the Council a level of general reserves of £5m.
- 7.6 Whilst it is accepted that as significant budget reductions are made, it invariably introduces financial risks, and although some difficulties have been encountered during the current year, Anglesey has a reputation of managing within its budget.
- 7.7 Budget risks have been addressed in the proposals but remain variable and high risk.
- 7.8 Protection against some budget risks is provided through earmarked reserves and contingencies. Whilst no general revenue contingencies reserves are currently held, the Council has a number of earmarked reserves for known but not always easily quantifiable financial risks. In relation to the proposal of the 'school breakfasts' there is a contingency identified should the results of the consultation and following Executive decision, be that there is no desire to charge for breakfasts.
- 7.9 School Balances have been high in the past, which has provided adequate cover for most risks. A reduction in schools balances does reduce that level of comfort, but this is mitigated by the protection given to school budgets this year.
- 7.10 The principal contingencies provided for in the budget both relate to the current processes of securing budget reductions and implementing service transformation.

8. ROBUSTNESS OF ESTIMATES

- 8.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of budget estimates and adequacy of financial services, and requires the Council to take account of this report as it adopts its budget.
- 8.2 Budget estimates are all based on assumptions about the future. These issues are interconnected. Budgets may not be exactly calculated because of estimation risk, but the impact can be mitigated if there are good contingency plans, contingency budgets or financial reserves. Their robustness depends on how responsible these assumptions are.
- 8.3 The robustness of budget estimates is not simply a question of whether they are correctly calculated. In practice, many budgets are based on estimates or forecasts, and there may be an element of risk as to whether plans will be delivered, or targets achieved. Different risks to the budget are considered in turn below:-
- **Inflation Risk** – This is the risk that actual inflation could turn out to be different to the assumption made in the budget;
 - The most significant expense is in relation to pay, where a 2.2% allowance has been made for new pay awards in 2015/16, but this seems a fairly realistic assumption in current circumstances;

- **Interest Rate Risk** – Interest rates affect a single year's revenue budget through the interest earned – i.e. an interest rate rise is beneficial. Because the budget is now based on interest rates at long-term lows, there is hardly any downside risk. Predictions are for interest rates to remain at their historical low well into 2015 and beyond. As in previous years, this is a compensating risk for inflation risk because if one increases the other is likely to compensate;
- **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 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 unpleasant surprises during the year cannot be entirely ruled out,
- **Income Risks** – The budget is based on securing an overall 5% increase in fees, and a number of services have assumed rises up to 5%. 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 reduce income;
- **Optimum Risk** – Probably the greatest risk in current circumstances is that the Authority, Members and Officers, have been over-optimistic in the savings that will be achieved. If these projects should run into difficulties and fail to achieve the savings taken out of the budget, significant overspendings could occur;
- **Over-caution Risk** – This is the opposite of optimum risk: the danger that our budgets have been drawn up with too much caution, and so are more than is required;
- **Salary and Grading Risks** – The Authority continues to face a significant risk due to job evaluation and equal pay/value to which it will be required to pay compensation claims to staff because of alleged unfairness of its pay arrangements. This is a long standing risk which will not go away, and challenges the robustness of the budget as in previous years. In mitigation, there remains an annual contingency budget of £600k towards the cost of the new pay structure;
- **Savings slippage** – The main risk relates to the savings proposals. The figures that have been presented are mostly based on a full year saving and so assume that the proposals will be fully implemented from 1 April 2015. There is a high risk that some of the proposals will not achieve this start date. This is particularly the case for the proposals that involve redundancies, income generation and contractual issues. Any delay from the start date of 1 April 2015 will cause pressures in 2015/16;
- **Staff Redundancy Costs** – As the savings proposals are implemented, there will be associated redundancy costs. The full cost of this is currently not known, due to the potential of some posts being vacant and determining the details of employees involved. To mitigate this risk, a Salary and Grading Contingency of £500k has been included in the budget.

- **Outcome Agreement Grant** – The budget for 2015/16 assumes that 75% of the due grant of £720k will be received in 2015/16 in respect of 2014/15 performance. Although the full grant was received this year for 2013/14, this is a significant risk to the Authority and, in a time of financial challenge on services, it is better to take a prudent view of this item.

8.4 The Section 151 Officer is, therefore, of the view that the budgets are robust and deliverable.

9. PROPOSED BUDGET & COUNCIL TAX LEVEL

9.1 The table below shows the available and required budget funding with an increase in Council Tax of 4.5%, representing an increase of £44.16 per annum or £0.85 per week, on a Band D property. In setting Council Tax, the Council needs to be aware of the need to set a balanced budget:-

Budget Requirement	£'000 4.5%
Base Budget 2014/15	126,670
Inflation & Re-pricing adjustments	2,182
Base Budget 2015/16 (before investments/savings)	128,851
Budget Savings	-4,325
Base Budget 2015/16	124,526
Funding Available	
Final WG Settlement inc Outcome Agreement	93,686
Increase Council Tax 4.5%	30,840
Total	124,526

9.2 Before the Executive can recommend a budget to Council, it now requires decisions based around the figures shown in the above table. These decisions include whether to:-

- Delete specific saving items;
- Provide additional capacity within services;
- Fund new initiatives and policies;
- Increase the base amount of Council Tax by the proposed level and, so, balance the budget.

10. EQUALITIES IMPACT ASSESSMENTS

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 2015/16 budget-making process, services were requested to carry out an initial equality impact assessment of each proposal. Guidance was included with the budget pro-forma and further guidance on carrying out EIA's is available on the Council's intranet site. Commentary on individual proposals is contained within the appendices. Proposals which are likely to have significant impact will need to be monitored closely by the service.

11. TREASURY MANAGEMENT STRATEGY

11.1 In accordance with the CIPFA Code of Practice on Treasury Management the Council is required to approve the 2015/16 Treasury Management Strategy Statement and Investment Strategy prior to the beginning of the financial year. The Treasury Management Strategy for 2015/16 was presented to the Audit Committee on the 9 February 2015.

12. UPDATING THE MEDIUM TERM REVENUE BUDGET STRATEGY

12.1 The initial budget report presented to the Executive of the 15 December 2014, updated the Medium Term Financial Strategy for changes in the funding notification from the Welsh Government. These assumptions included a level of pay award and inflation.

12.2 The table below is a further update of the Medium Term Financial Strategy, which has been updated for the proposed 2015/16 budget and the following assumptions for 2016/17 and 2017/18:-

	2015/16	2016/17	2017/18
Previous Year Budget	126.6	124.4	122.0
Changes to the Base Spending Levels	2.0	3.3	2.7
Total	128.6	127.7	124.7
Funding Gap	-4.2	-5.7	-4.7
Total	124.4	122.0	120.0
WG	92.8	89.0	85.4
Council Tax	30.8	32.3	33.9
Outcome Agreement	0.7	0.7	0.7
Total	124.3	122.0	120.0

12.3 The Medium Term Financial Strategy will need to be reviewed and updated during the early part of 2015/16 to ensure that forecasts and assumptions remain as accurate as possible.

13. LINKS TO COUNCIL POLICIES AND PRIORITIES

13.1 In drawing up budget proposals, due regard has been given to key Council Policies and Priorities.

14. OPTIONS AVAILABLE

14.1 The Executive must agree and recommended Council Tax and 2015/16 revenue budget to Council. Members have various options open to them on the detailed budget proposals contained within this report.

- To transform services which we are legally bound to deliver to ensure that they are modern, effective and efficient;
- To challenge whether we should continue to fund non-essential, non-statutory services where others also provide these or where others could provide these;
- To understand the impact of our proposals on Ynys Môn and its residents, in particular those in most need of our services.

1.7 The draft proposals were formed into a questionnaire that was then administered online, through the County's Libraries and administered face to face at locations across the county (Holyhead, Llangefni, Amlwch, Menai Bridge and Beaumaris).

1.8 The results constitute 433 responses as follows:-

- Online/Letters = 146 (34%)
- Libraries = 150 (35%)
- Face to Face = 137 (32%)

1.9 According to acknowledged survey sources (Fluid Surveys and SurveySystem.com) this is a statistically valid sample to be representative of Anglesey's overall population. The figure of 383 responses would provide a 95% confidence level in the results with a (+/- 5% variance).

1.10 The spread of age ranges responded to the survey is as follows:-

Age Range	Number	%
-16	1	0.2
16-24	14	3.2
25-44	80	18.4
45-64	114	26.3
65+	107	24.7
Prefer not to say	117	27

With 40% males respondents and
38% female respondents
12% of respondents preferred not to say

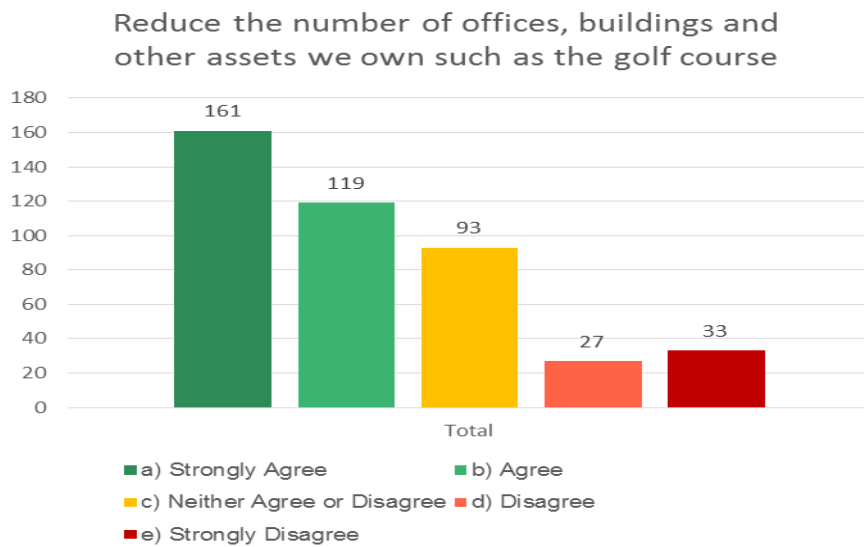
1.11 The split between those who indicated that they were Welsh, English, British or any other nationality also corresponds broadly with the Island's demographic make-up. Most respondents were also residents of the island (over 70%, with 27% not stating their status).

2. SURVEY RESULTS

2.1 The Survey questions consisted of 16 proposals as indicated below, and gave respondents a range of responses from 5-1 according to the following categorisation:-

1. Strongly Disagree
2. Disagree
3. Neither Agree or Disagree
4. Agree
5. Strongly Agree

2.2 The 1st proposal was to “Reduce the number of offices, buildings and other assets we own such as the golf course and, over 62% agreed or strongly disagreed with the proposal as opposed to just over 13% who disagreed or strongly disagreed:-



Respondents Comments:

“Concerns relating to vacant buildings on the Island - why are these not sold? The Smallholdings - how many are empty at this present time?”

“Selling un-needed buildings and becoming more efficient would be better, in highways I suspect acres of space would be made available should shelving, cabinets and documents (some from 1996) be stored or removed”

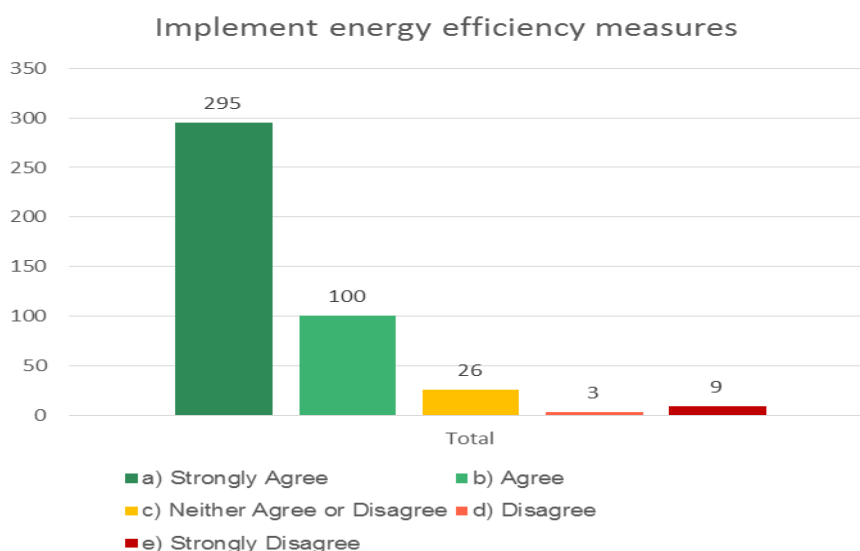
, ...”there does seem to be a considerable number of underutilised buildings owned by the council that could be sold to raise funds”

”The council should look to dispose of some of its assets which are not seen and appreciated by the public such as Art. The Council should look to restructure and as a consequence reduce its office space occupancy and sell or let any surplus”

“I agree with reducing number of assets but not necessarily the golf courses - consider that a review of the assets is necessary”

“Sell empty schools”

2.3 Similarly over 91% agreed or strongly agreed with the 2nd proposal to ...”Implement energy efficiency measures”



Respondents Comments:

“Very few of the council's buildings make use of renewable energy. Other than general lack of making an effort, there is no ready understanding as to why”

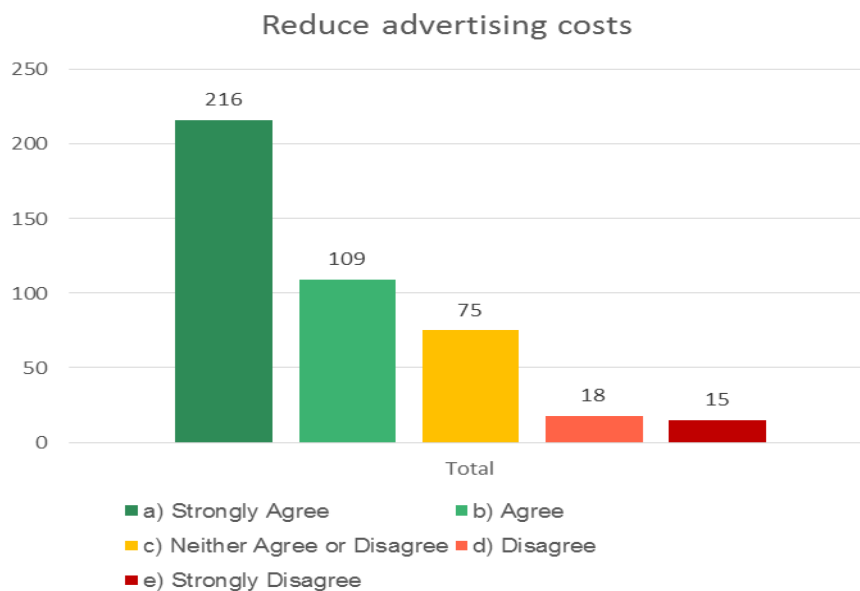
“How much in reality is the Council going to save by the energy efficiency strategy? Staff education e.g. to turn off lights when leaving their offices etc should save money. Has the Council looked at real savings from working with energy providers e.g. New biomass plant?”

“Why can't you have less street lighting in towns and on the main roads?”

“Turn off street lighting from 11pm to 7am”

“Caretakers of all main buildings should be tasked with “lights discipline” and managing the heating systems for out of hours, end of day and weekends – potentially very big savings available here”

- 2.4** The proposal to ...”Reduce advertising costs” had 75% agreeing or strongly agreeing, as opposed to the 7% who disagreed or strongly disagreed, with 17% neither agreeing or disagreeing.



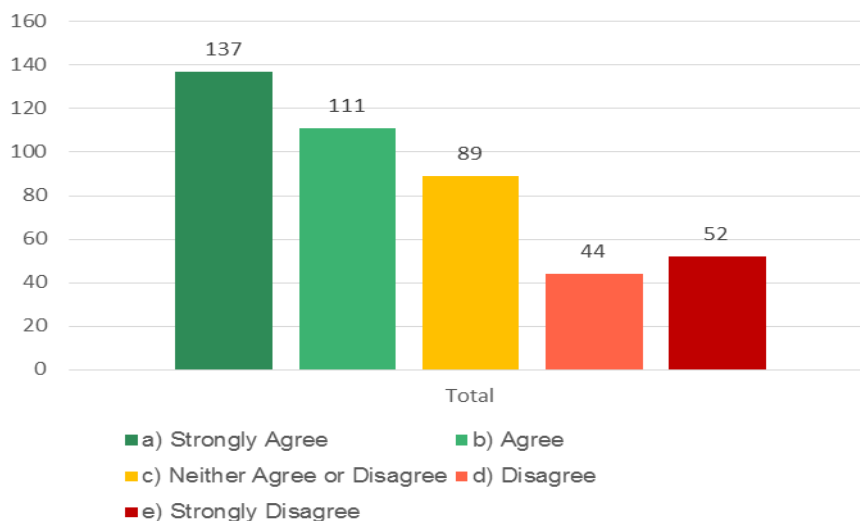
Respondents Comments:

“Reducing advertising' ought not to translate into 'reduced notification' to the public on matters that may affect them. This could undermine democracy if taken too far in the name of cost reduction”

“Businesses succeed through Marketing and Innovation, If you reduce advertising, will you still get the message across and maintain development on the Island?”

- 2.5** The proposal to.. ”Encourage the public to access services and contact the Council by email & website” produced a response where there was general agreement with 284 (57%) people agreeing or strongly agreeing but 96 people (22%) also disagreed or strongly disagreed with the proposal and 89 people neither agreeing or disagreeing:-

Encourage the public to access services and contact the Council by email & website



Respondents Comments:

“While acknowledging the need to save costs communicating with people encouraging email use for correspondence together with web pages for information care must be taken to ensure that those people (and there are many) without internet access are given adequate access to information and correspondence from and to the council by letter is equally well managed”

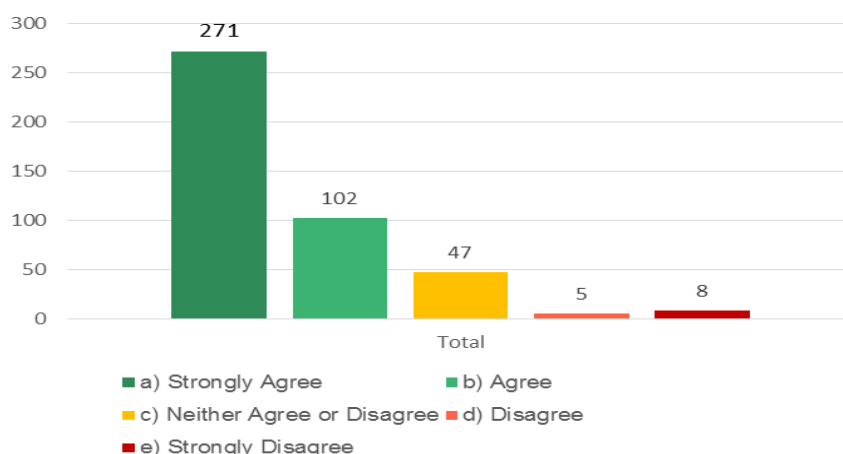
“When improving access to Council services and democracy it is imperative to note that no website or online communication can be accessible to every disabled person simultaneously. Even websites that meet the highest accessibility standards will not be accessible to everyone”

“improve the corporate website - make it more interactive and approachable for people to use”

“the impact of poverty on access to the internet at home it becomes clear that whilst improving online access and services to people is a vital element of accessibility of council services and access to democracy and involvement in scrutiny, there is also a need to ensure that community notices, newsletter or newspapers, direct letters to householders”

- 2.6** An overwhelming majority agreed with the proposal to..”Review existing contracts on a regular basis with a view of negotiating efficiency requirements in large long term contracts” with a total of only 13 disagreeing or strongly disagreeing.

Review existing contracts on a regular basis with a view of negotiating efficiency requirements in large long term contracts



Respondents Comments:

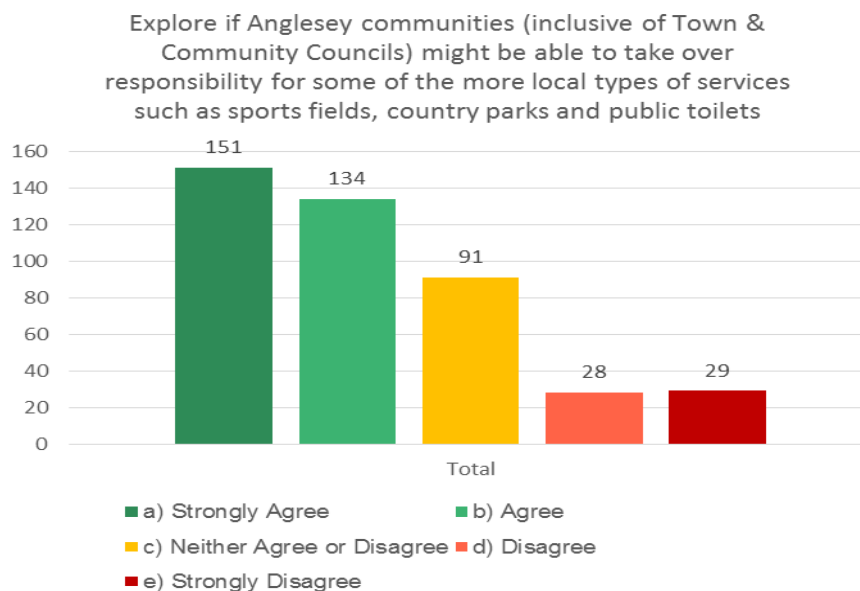
“The outsourcing of contracts to long term 3yr contracts when it means that non local people are brought in needs looking at”

“contracts could support and enhance the local community”

“It is not clear to me why regular reviews of large, high value contracts has not been happening from the outset. There seems little excuse for not doing so”.

“The contracts that local authorities currently award are in my experience closely monitored and more consideration needs to be given to how the councils own services measure up to the requirements it has placed on others”

2.7 The proposal to “Explore if Anglesey communities (inclusive of Town & Community Councils) might be able to take over responsibility for some of the more local types of services such as sports fields, country parks and public toilets” produced a response where almost 66% agreed/ strongly agreed with the proposal with only 13% disagreeing/strongly disagreeing.



Respondents Comments:

“Getting community council to manage and run facilities is a very good idea as it gives ownership and responsibility back to the communities”

“responsibilities for local services should only be transferred to Town & Community Councils where there is an overall financial benefit for that community”

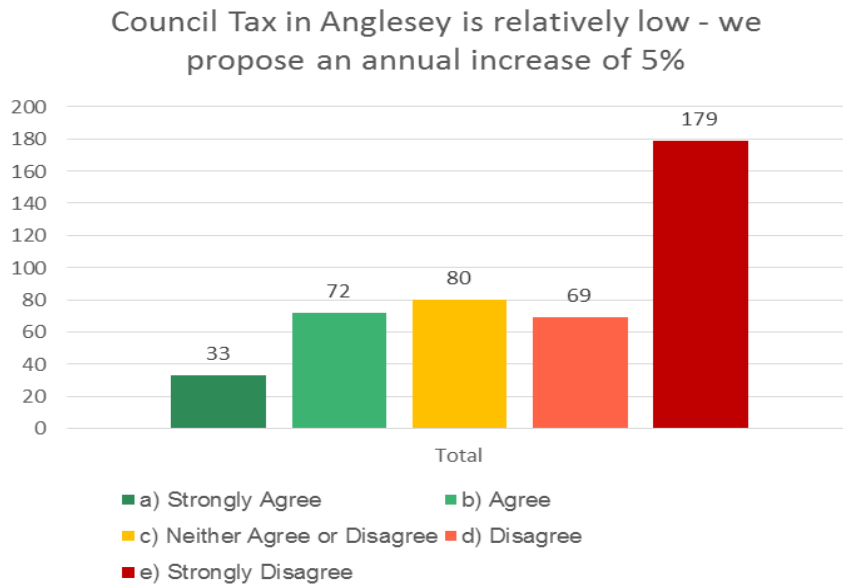
“I am not sure about getting local town councils to take over amenities - this may look like a reasonable option but in the long-term these will have to be maintained”

“YMCC to stop relying on the Town Councils to cover the rapidly increasing shortfalls... i.e. Toilets, Leisure Centres”

“Make more uses of Towns and community councils they are stale and are not effective in some areas”

“Analysis must include any additional costs incurred by Town & Community Councils - including administrative and staffing costs”

2.8 Not unexpectedly the proposal that ...”Council Tax in Anglesey is relatively low - we propose an annual increase of 5%” led to a response where 57% disagreed/strongly disagreed whilst 24% agreed/strongly agreed with the proposal. 18% however neither agreed or disagreed with the proposal.



Respondents Comments:

“I am pleased there is a review going on and the only negative I have is that hitting the working family and homeowners again with a 5% rise in council tax is the easy option”

“Council tax increases should be relative to services provided, and council efficiency, and not automatic year on year”

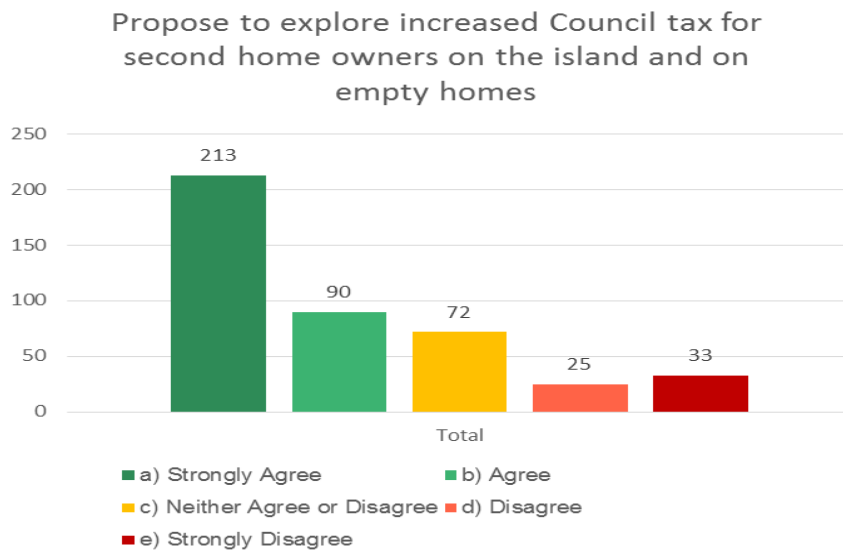
“Now is not the time to increase Council Tax by more than inflation when most people do not even get inflationary increases”

“You cannot keep increasing council tax over and above inflation. We are due a period of below inflation rises. If the Council is unable to meet its statutory obligations with below inflation increases this needs to be known at the earliest opportunity”

“I accept the council's predicament, but increasing council tax by 5% means, in practical terms, a pay cut for essentially all of Anglesey’s generally low-paid workforce”

“Whilst increasing the council tax for home owners there is no suggestion that council rent should also be increased by the same 5%. This would be a fair suggestion as everyone uses the council facilities whether they be home owners or rent payers”

2.9 Almost 70% agreed/strongly agreed with the proposal. “to explore increased Council tax for second home owners on the island and on empty homes” with a further 16% neither agreeing or disagreeing and only 13% disagreeing/strongly disagreeing.



Respondents Comments:

“I do agree that second home council tax needs to be reviewed as these are a nice to have not a necessity and don't not think the people Anglesey who live full time and work full time would complain”

“I disagreed with the policy of increasing council tax increases for second homes on Anglesey primarily because of being currently unable to sell my former marital home on Anglesey because of the present stagnation of the property market outside of London”

“Second home owners might simplistically appear to be an easy funding target based on political dogma. Increasing the council tax for second home owners would, in my opinion, be not only inequitable and unlikely to provide a sustainable income source but also detrimental to the long term interests of the island and susceptible to judicial review”

“Council tax is supposed to be raised to provide local services. When a property is not occupied on a full time basis there is no demand on some facilities such as schools and social services support and a reduced demand on services such as police and fire. There is a strong moral argument for such properties to receive a rebate. A surcharge is not only morally wrong but is likely to be counterproductive. A more suitable strategy would be to encourage second home ownership”

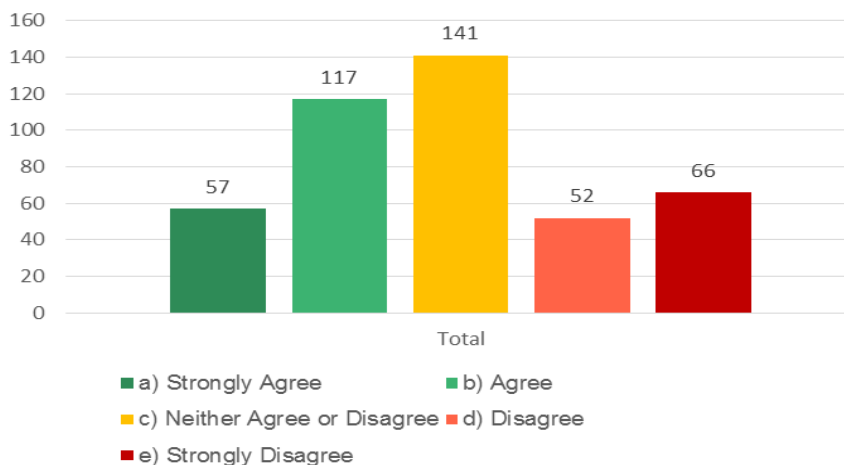
“I would like to see some form of engagement between second home owners and officers together with local councillors to try and see what additional attractions could be added to the recreational offer in order to increase the dwell time in Anglesey”

“I think you should really hit second homes that are empty most of the time really hard. With so many homeless it is disgusting, and it kills little villages”

“Double the Tax Band for second homes”

2.10 The proposal to "Review all fees and charges for a number of our services such as leisure centres, school meals, home care, special waste collections, car parking and where it is deemed too low then we will increase them" had 40% agreeing/strongly agreeing and 27% disagreeing/strongly disagreeing with 32% neither agreeing or disagreeing

Review all fees and charges for a number of our services such as leisure centres, school meals, home care, special waste collections, car parking and where it is deemed too low then we will increase them



Respondents Comments:

"the increase in parking restrictions through time limits and fees are putting people off High Street shopping"

"What's your plan for non-statutory services to raise fees? Surely they have already explored this avenue?"

"Increase in fees and council tax must be in line with inflation , but focus also on fees charged in areas where it is proving counterproductive in terms of revenue generated against the cost of collection . Abolition of some fees particularly in tourist areas may encourage increased usage and allow revenue to be raised in other ways such as facility concessions being offered to private providers"

Making sure your communities have access to ways of getting healthy, especially in a family setting, should be encouraged by lowering entrance fees and seeking to raise funds through additional events"

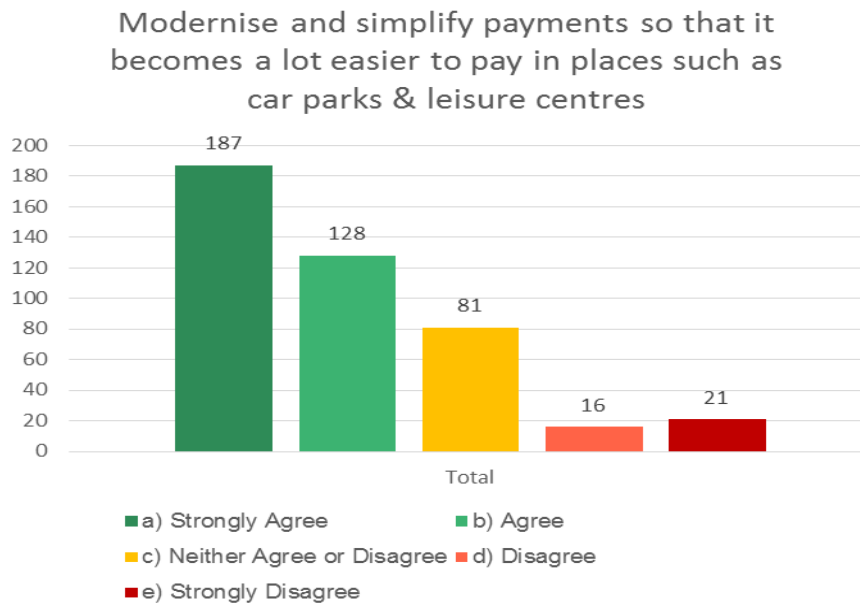
"Any plans to increase charges must be balanced against the pressures on individuals and families at the moment"

"Higher charges for planning applications etc. based on cost of development and if for holiday home/ 2nd homes (stipulate local person or not use for holiday home for say % years)"

"Privatise Leisure Centres"

"The 4 Llangefni staff car parks together hold around 500 cars. At a minimal charge of £2 per day that would raise £1,000 per week. If you are serious about this consultation, you will consider it."

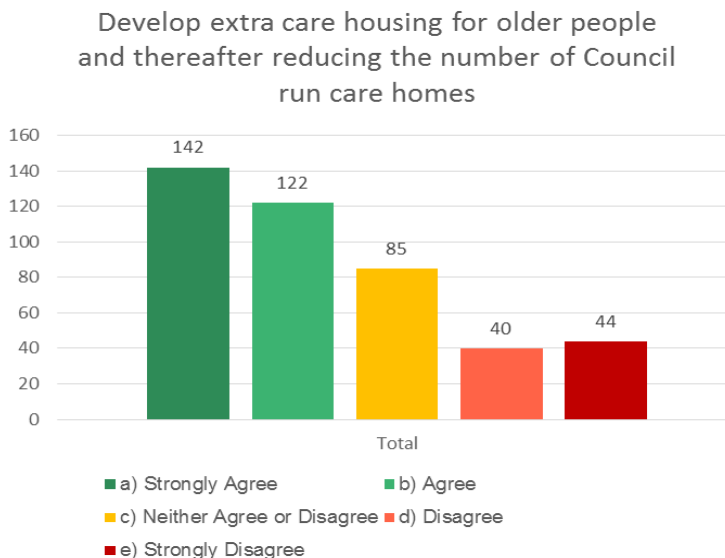
2.11 The proposal to..”Modernise and simplify payments so that it becomes a lot easier to pay in places such as car parks & leisure centres” was supported by 72% of respondents with only 8% disagreeing/strongly disagreeing.



Respondents Comments:

“Install barriers on car parks so people can’t park without paying”

2.12 Almost 61% agreed/strongly agreed that we should ”Develop extra care housing for older people and thereafter reducing the number of Council run care homes” and a further 19% neither agreeing or disagreeing with 19% disagreeing/strongly disagreeing.



Respondents Comments:

“I don’t know enough about extra care housing hence a neutral response. Overall it looks a good plan”

“Increase extra care but do not close council run care homes”

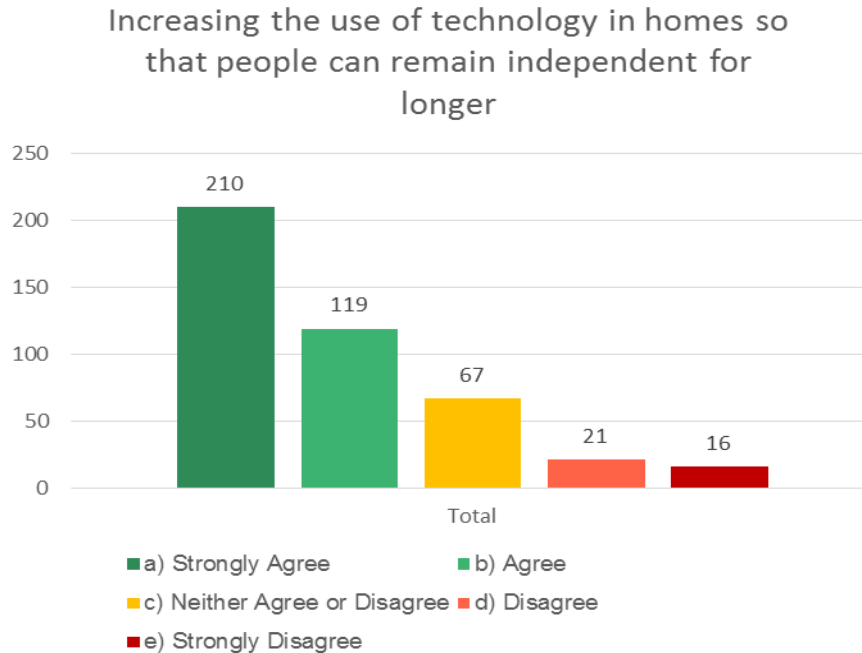
“Transfer residential care to public health”

“The Council have a responsibility for the provision of quality care for the elderly people”

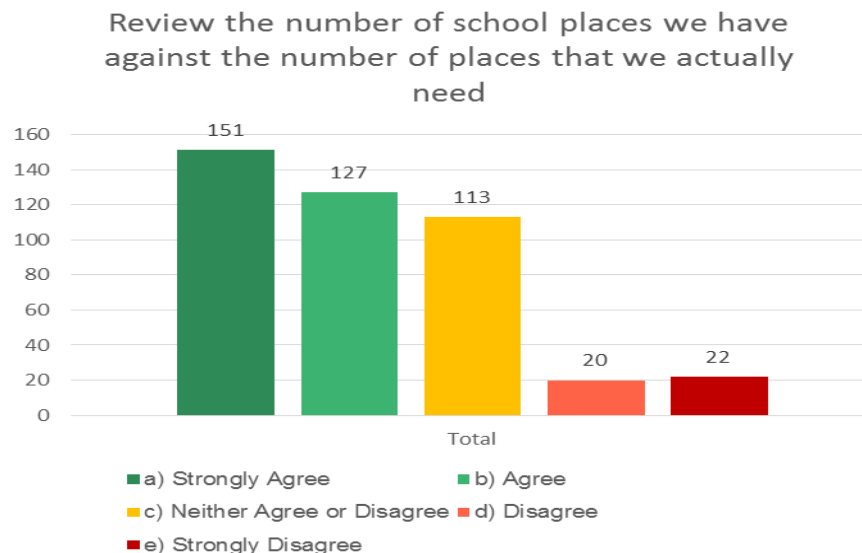
“The priority for Elderly Care should always be the provision of quality care to meet people’s needs. The Council have a responsibility to regulate standards regardless of ownership”

The elderly are better cared for in well run, efficient Care Homes, rather than spending many hours alone in their homes when at these times they need help and someone to alleviate loneliness

2.13 an overwhelming majority (almost 76%) of respondents also agreed with the proposal to ...”Increase the use of technology in homes so that people can remain independent for longer”



2.14 Only 10% of respondents disagreed/strongly disagreed with the proposal to ..”Review the number of school places we have against the number of places that we actually need” with 64% agreeing or strongly agreeing



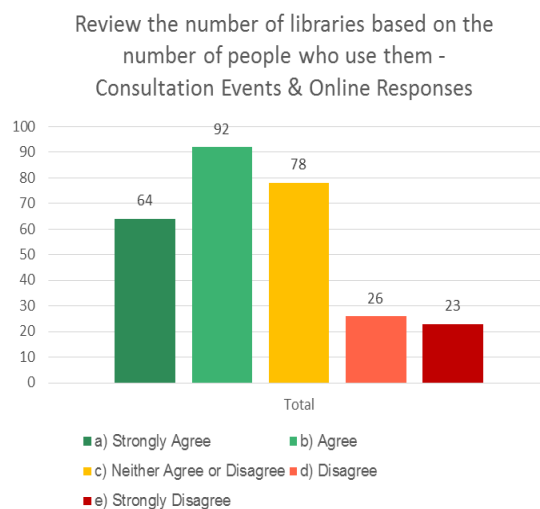
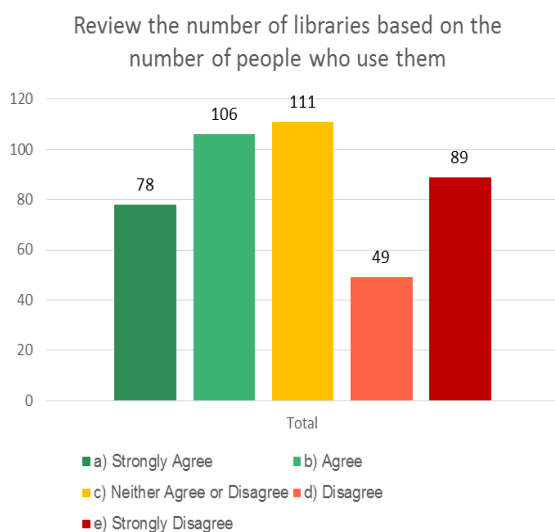
Respondets Comments:

“The requirement for school places fluctuates from year to year”

“I also feel that the council should keep the smaller schools and not force people to take their children long distances to school and I think the children are better educated where there is more time spent on them i.e. smaller classes”

“Consider using the empty spaces in schools for centrally employed staff, allowing there to be less sites to manage”

2.15 The proposal to .."Review the number of libraries based on the number of people who use them" led to an interesting response considering that Libraries were one of the main consultation locations. 42% agreed/strongly agreed with the proposal whilst 31% disagreed/strongly disagreed, whilst 25% neither agreed or disagreed. However, and if we remove the questionnaires that were administered in libraries from the equation, the figures are 55% agreeing/strongly agreeing, 27% neither agreeing or disagreeing and only 17% disagreeing/strongly disagreeing



Respondents Comments:

"Libraries should be more than books and internet. They should be community cafes for people to meet"

"Close ALL out of Towns Libraries"

"I believe that the libraries will be more important than ever for local communities and that their opening hours should be extended to accommodate their needs. The libraries are not just used for the borrowing of books - they are an important amenity for community groups, information about Council services, support services and information for visitors. I think that libraries are far more important than owning a golf course"

"There is a lack of premises to offer services and libraries could be the solution. Also, the travelling library could be remodelled to host access to the internet to allow citizens who do not have access for whatever reason the opportunity to do so"

" I have agreed with the review of the number of libraries however there's a possibility of re-housing some of these facilities in a one-stop shop style amenity which could incorporate leisure facilities etc. under one roof"

"Charging for Oriel Môn, cuts never seem to effect here, only libraries. Libraries are more use than an art gallery"

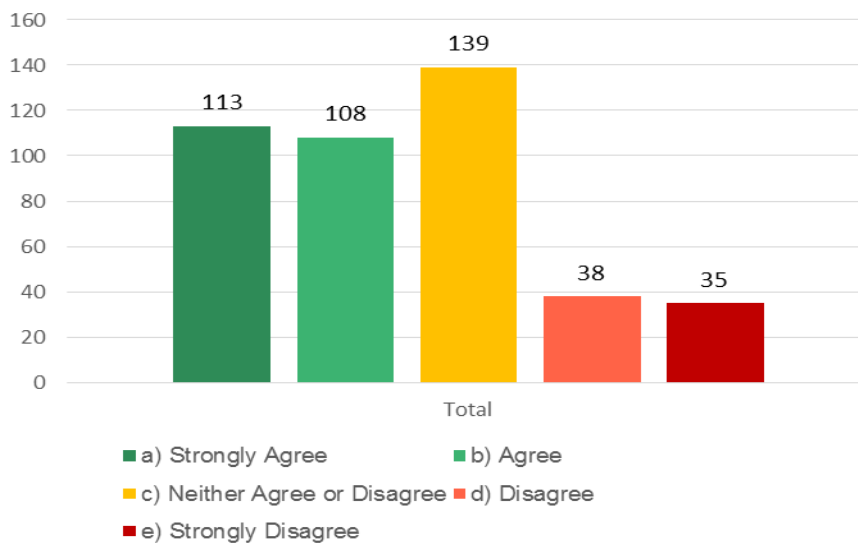
"I do wish you every success in your efforts but sincerely hope that our library (Beumaris) continues to flourish"

"Introduce a small annual fee for the use of libraries - to exclude use by children & students. Introduce a fee for the use of computers in libraries - same caveats as above"

"I think that Libraries are a vital asset to the community and need to be remodelled into community hub type facilities"

2.16 Over 51% agreed with the proposal to..”Work to externalise the management of our cultural heritage assets” with a further 32% neither agreeing or disagreeing with the proposal and just over 16% disagreeing/strongly disagreeing

Work to externalise the management of our cultural heritage assets



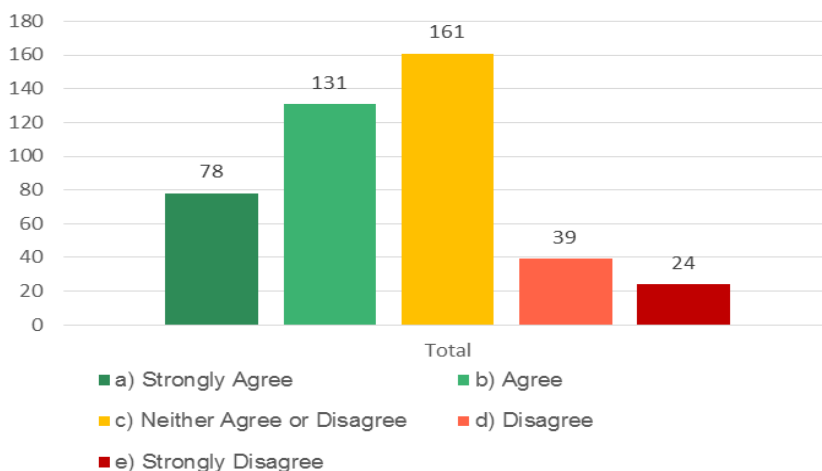
Respondents Comments:

“The management of our cultural heritage assets should be considered case by case. There may well be some areas where management could be delegated to suitable organisations. Sound fiscal management should always be Council practice. Any review of current services should targeted on areas of highest spending and based on sound management methods”

“get rid of Oriel Ynys Môn and sell pictures of value i.e. Tunicliffe”

2.17 51% of respondents also agreed/strongly agreed with the proposal to.. “Develop a model where non-statutory services cover their cost by raising income and / or reduce costs over a period of 2/3 years” with 31% neither agreeing or disagreeing and 16% disagreeing/strongly disagreeing

Develop a model where non-statutory services cover their cost by raising income and / or reduce costs over a period of 2/3 years



Respondents Comments:

“work in partnership with the third sector to reduce costs and share costs”

2.18 Additional Comments

As indicated in the introduction, a number of qualitative comments were received through the consultation exercise – some through email or letter communication and some through face to face interaction with respondents. Some of the comments that correspond directly with the proposals have been included in the report (above), and the additional comments below are included as they represent a cross-section of the type of responses received which were either a) recurring themes or b) responses which were not directly related to the proposals but worthy of consideration

- Reduce Senior Management, Too top heavy
- Reduce sickness absenteeism
- Less councillors. Reduce number of Councillors. Have meetings online.
- Close electoral register office in Llangefni industrial estate and combine with council offices in town
- *Green bin for garden refuse could be discontinued from Nov. to March when generally they are not used.*
- *I believe that the Council should consider voluntarily merging with Gwynedd Council. This could offer huge savings through the centralization of services, particularly in regard to procurement, management and administration, finance and recruitment*
- *Concerns relating to vacant buildings on the Island - why are these not sold? The Smallholdings - how many are empty at this present time*
- *The green bin collection in winter, this could be changed to once a month? Household waste such items that the bins don't normally collect (bulky items), could take it's place for three of the winter months, this could save money on the free service of two collections per year that is currently available.*
- *The target for cutting staff costs is very unambitious, only £1M saving out of a total staff cost of c. £75M (60% of council budget), i.e. just 1.3 percent. I am sure that more savings could be made here*
- *An average 10% cut in staff costs would save about £7.5M. This could be made more palatable by giving staff say Friday afternoons off or the equivalent in unpaid leave over the course of the year.*
- *I believe it would be a good idea, that everyone who works in the council should pay an annual fee to park their cars. This would bring in income and also could provide more parking spaces*
- *Review Top Tier Management - Do we need so many managers?*
- *Council should reduce subsidy of bus routes – they are paying for buses full of air to be carried around the island”*
- *Train staff to be more generic workers - so that it's an organisation not a department!*
- *The strategy covers basic efficiencies but there is no mention of improving staff performance or reviewing the cost of senior management, most authorities are carrying our significant back office reviews. What about making better use of technology within the council, digital, channel shift etc.*
- *Send out paperwork in one language; ask the rate payer which language they want*
- *I believe if some (not all) employees of the council understood the pressures of small businesses with regards to cashflow, getting things done quickly, efficiently and properly, then implemented that into their everyday worklife (like most SME employees do) then I believe that would help the efficiency targets*
- *Something you do not appear to have greatly is "demand challenge" - reducing the demand for services, although increasing costs will have this effect*
- *Medrwn Môn welcomes the efficiency strategy with its clear vision for facing the financial challenges it presents. The Council acknowledges the need to work with others to provide services and to consider carefully what's statutory and non-statutory. Lessons should be learnt from the transfer of services such as Canolfan Beaumaris and the careful planning and community support that was offered.*
- *There was a generally a broad consensus as to pertinent measures that could be taken ...(Anglesey Branch CPRW) but individuals should also write separately*

Town & Community Council Initial Response (From Liaison Forum 23/10/14)

- Joint working arrangements - More should be done to work with the private sector to achieve savings (Trearddur).
- Reducing the cost of democracy - the importance of strengthening democracy and promoting diversity in local government (Llanfairpwll).
- **Getting the best out of our staff – need to be mindful of the potential impact of redundancies and not filling vacant posts on staff sickness levels (Llanfairpwll).**
- Consultation – need to ensure that the Council’s consultation methods are robust (Llanfairpwll).
- Challenging the delivery of non-statutory services – need to engage with all stakeholders as early as possible on any major cuts to non-statutory services (Cwm Cadnant)

Reforming Local Government in Wales – Whilst acknowledging that the timescale went beyond the three years covered by the draft efficiency strategy, the importance of researching the potential implications of Council mergers was emphasised (Cwm Cadnant).

3. CONCLUSION

- 3.1 In considering the majority of proposals/ideas presented as part of the 2014 Efficiency Strategy consultation exercise, as well as the previous exercise undertaken in 2013, the overall response would seem to indicate that the Council have presented options that the citizens of Anglesey are in broad agreement with.
- 3.2 With the exception of the proposal to increase council Tax by 5% annually, the proposals are largely supported by a majority of the residents of Anglesey, and as such provide a clear mandate for the Council to proceed to implement and action the proposals associated with the strategy.

BUDGET PROPOSALS 2015/16 - "MEETING THE CHALLENGES" - ANALYSIS OF CONSULTATION

1. Budget Proposals – Responses were received to the consultation exercise which make up the 73 responses referred to in the above report from the following
 - Organisations/Bodies - A number of Community & Town Councils, CPRW, Malltraeth Ymlaen and Voluntary Liaison Committee. (although of total number of responses here is 5, this is inclusive of the response from the Town & Community Council Liaison Forum meeting where the views of 10 individual councils were represented in a general response on behalf of the Forum – these views have been incorporated in the report);
 - Individual Responses - received Online through Survey Monkey, through email/letters or through the Council Leader's Drop-in sessions.

1.1 Proposal to increase Council Tax by 5%

- 1.2 A number of observations were received from bodies and individuals as regards the proposal to increase the Council Tax. A total of 13 responses were received. Of the Ten bodies who responded a few expressed opposition.

"An increase of 5% in the Council Tax is unaffordable, unacceptable and insufferable".

Others stated that the Council Tax should be as low as possible and that the effects on individuals and households should be considered before coming to a final decision, the majority of responses however reflected the views as outlined below....

"Community Council almost unanimously in favour of the cuts are proposed and see them as very reasonable to think of the current financial situation of the County Council".

"Need to explain to ratepayers what services are safeguarded if a Council Tax increase of 5% is set. However, recognise that if essential services are to be safeguarded, there is a need to raise Council Tax by up to 5% to meet the funding gap"

"5% increase rather high but recognise the need to increase Council Tax up to this level in order to meet the funding gap".

"Proposed increase of 5% acceptable, but services need to be more efficient and opportunity to maximise income should be pursued".

"Support an increase of around 4 – 4.5% to recognise pressures on services.

Three individuals opposed the proposed Tax increase, comments were as follows:-

"Not happy with 5% Tax"

"I would also be concerned that many would not be able to afford this (especially with other economic and financial pressures on low income families"

"An easy way out of problems - Give the burden to the taxpayer. 5% rise is total nonsense. The tax has risen over the last four years, three times higher than inflation"

2. Responses - Good Value for Money Proposals

- 2.1 The majority of responses under this heading were by far the most numerous within the consultation, and are summarized through some of the comments below.
- 2.2 Five people responded to the proposal to (Reduce the Highways & Lighting Work Budget (Highways) with 3 opposed and 2 in favour.

- 2.3 The proposal to reduce opening days (to 5 days per site) and amended working (Waste) had 7 responses with 2 in favour and 5 opposed - but to the days/times of closing specifically as indicated in the comments below:-

"Closing waste sites to 5 days may be a cost saving but could increase fly tipping. However if it was to be reduced to 5 days I would suggest it is not Sat or Sunday or a Monday".

- 2.4 Similarly, only 3 responses were received as regards the proposal for Reduction in Improve School Standards budget (Education) with two opposed and 1 in agreement.
- 2.5 A specific issue was raised by CPRW as to the proposal for Reduction in contribution to the Joint Planning Policy Unit and Various service efficiencies (Planning) which they considered could weaken the council's statutory duties and responsibilities around planning matters.

3. Individual Responses - Challenge for the continuation of services proposals

- 3.1 Responses were received from bodies and individuals as regards the proposal for Reduction in street cleaning budget (Highways) with one body particularly concerned about the possible effects on tourism ...

"visitors expect a clean environment. Reducing street cleaning will make our tourist destinations less attractive and therefore have a negative impact on local tourism businesses"

- 3.2 Whilst one person agreed with the proposal cuts to Urdd, Young Farmers and William Mathias Music (Education) service two opposed this.
- 3.3 Similarly one person supported and 2 people opposed the proposal for a Reduction in funding to management company running Llanfairpwll Tourist Information Centre (Econ & Comm Regen).
- 3.4 Two people opposed the proposal for Reduction in Primary Dyslexia budget (Education)...

"I would challenge the reduction to supporting Dyslexic children in primary schools, this will impact on standards at secondary school level when it may be too difficult to address"

4. Individual Responses - Reducing the cost of Management, Democracy and Bureaucracy proposals

- 4.1 Only two issues were highlighted under this section, namely Staffing rationalisation, reduction & removal of vacant posts (Highways, Leisure, E&CR, ICT, Transformation, Audit & Culture) and Rationalisation of Senior Leadership Teams (Council Business) – with three people in favour of the first and seven positive responses to the second proposal. Some views expressed were....

"A complete top down review of the council's staff structure should be undertaken. All staff should be appraised and where necessary redeployed on the basis of their qualifications and competence. Any necessary redundancies or early retirement should be handled sensitively but should not be avoided. It is obviously undesirable to increase unemployment on the island but the council's priority must be efficiency."

5. Individual Responses - Working collaboratively with others to save money or maintain service levels proposals

- 5.1 There were no specific comments as regards this heading but a number of general points as regards the Council's views on Local Government Reorganisation, again the views were mixed...

"There is only one way to save money and that's to have two councils across North Wales".

"please, please, please do not merge Anglesey with another Council".

6. Individual Responses - Maximise Income Generation proposals

- 6.1 The proposal... Free School Breakfasts - introduce a £1.50 fee for breakfast for non-free-school-meal pupils to charge a fee for breakfasts in primary schools (Education) had a negative response from only 4 people

This....seems to go against the statutory guidance for local authorities and governing bodies of maintained primary schools regarding the provision of free breakfast in maintained primary schools as defined in the School Standards and Organisation (Wales) Act 2013.

- 6.2 Some respondents agreed with the idea for Increased income generation across leisure centre activities indicating that they are non-statutory and should be self-financing.

- 6.3 Similarly one person opposed and one person supported the proposal to Increase parking income through the introduction of parking fees at Rhoscolyn, Station House Llangefni, Porth Swtan & Stanley Crescent Holyhead (Highways).

- 6.4 3 negative responses were received as regards the proposal to levy a £25 charge for replacement black wheeled bins lost, damaged, stolen or requested at new-build house

"the householder or 'victim' that has had their bin stolen or damaged by a third party (or the waste collection contractor as has happened to me in the past) should not be expected to pay for something that is not their fault."

7. Individual Responses - Getting the best out of our staff proposals

- 7.1 Under this proposal there were only two responses – both positive, as regards the proposal to reduce car allowance budgets. However, and although not a specific proposal, a number of people commented on staff sickness and annual leave arrangements....

"Am happy with these suggestions-also suggest stronger consequences for sick absences"

"Presumably the amount of staff absence which was reported recently in the papers is to be addressed?"

"Staff should be encouraged (by managers) to maximise the use of the Purchase Additional Annual Leave Scheme. This will save money for the Council, and assist in a better work /life balance for staff, reducing stress etc."

8. General Comments (not specific to Budget Consultation Headings)

- 8.1 Much more information is needed with NO jargon. we need to know exactly what's being cut not just " various".

- 8.2 Why does not every Member hold a public meeting within their constituency in order to gauge the views of their electorates.

- 8.3 More information is required, this needs to be sent out to households in an easy read version where people who have no internet , who need help with filling in questioners, where is the consultation with children and young pole taking place? consultation of people who have disabilities and learning difficulties? "

- 8.4 "Survey monkey is not the answer! you need to talk to people"

- 8.5 There were a few people who specifically raised the closure of Llangefni Golf Course–

"open for 32 years. Making money April to Sept – people come from afar (Germany). No real indicator that it was imminent closure"

8.6 Similarly, there were a number of comments about the Smarter Working project – basically opposing any additional expenditure and of the need for further information on the rationale for any additional expenditure to the Council Headquarters.

8.7 A few people also specifically referred to libraries as a possible saving –

“close libraries - as many people have computers therefore books can easily be obtained, also library vans can still visit people throughout the island”.

SUMMARY OF PROPOSED BUDGET

Based upon a 4.5% Council Tax Increase

Directorate	Draft Standstill Position after provisional Settlement £	Final Settlement Changes and other adjustments £	Savings Proposals (see Appendix 4) £	Draft Standstill Position £
Lifelong Learning (Including Schools)	48,113,280			48,113,280
Community Services	30,854,780			30,854,780
Sustainable Development	19,999,050	-120740		19,878,310
Deputy Chief Executive	12,344,780			12,344,780
Corporate and Democratic Costs	1,819,530			1,819,530
Legal & Administrative	2,667,970			2,667,970
Levies	3,219,600	-15710		3,203,890
Capital Financing and Interest	7,782,590	201247		7,983,837
Recharges to HRA / DSO	-357,767			-357,767
Affordable Priorities Programme	-23,012	4402		-18,610
Total	126,420,801	69,199	0	126,490,000
Improvement Contingency	190,000			190,000
General Contingency	500,000	-10000	141,700	631,700
Education Breakfast Contingency				170,000
Job Evaluation Contingency	800,000	-200,000		600,000
Sub Total Standstill Budget	127,910,801	-140,801	141,700	128,081,700
Salary & Grading	500,000			500,000
Cost of Change Contingency	221,000	-1000		220,000
Discretionary Rate Relief	50,000			50,000
Total Before Savings	128,681,801	-141,801		128,851,700
Funded by:				
Aggregate External Funding	92,887,000	79,000		92,966,000
Council Tax	30,988,000	-148,000		30,840,000
Outcome Agreement	720,000			720,000
Total Funding	124,595,000			124,526,000
Funding Gap	4,086,801	-141,801	0	4,325,700

Proposed Savings

Proposed Saving	Total Proposed Savings £'000	Service	Equality Implications
Removal of General Unused Budget Lines	200.0	Adults	<p>A. Incorrect Budget Predictions- Given historic movements in budget positions it remains a risk that the department is overstating its current underspend. It is considered however that the current reported position is a robust one and continued close scrutiny of budgets will mitigate this risk.</p> <p>B. Service Demand- In removing this level of underspend the department's ability to meet increases in service demand within allocated budget will be a challenge. At present changes in demography within adult services are managed through the evolution of reablement and in the future extra care models. For other service areas a similar approach is being proposed as part of the transformation work and this will be central to our approach in the future</p>
Môn Enhanced Care Income Generation	10.0	Adults	None. There was an agreement to this way or working at the outset of MEC (Môn Enhanced Care)
Creation of Income Budget for Deferred Payments for Care	127.0	Adults	It is possible that there may be a change in this as property ownership patterns change but it is envisaged that this is not within the near future, and in fact may not change for 20-30 years
Garreg Lwyd Placements	70.0	Adults	Likely to have a disproportionate effect on the older people and families.
Total Adults	407.0		
Staffing Reductions	22.6	Audit	The proposal is unlikely to affect any group disproportionately
Total Audit	22.6		
Page 32 Cease the use of an Independent Chair for the Fostering Panel and provide internally	4.0	Children's	<p>a) Reduction in quality and knowledge within a complex area b) Loss of expertise of current provider c) May be seen as a retrograde step by regulators ch) Impact on the Service's capacity to make alternative Charing arrangements d) Impact on reputation in not having independent chair dd) Possible impact on impartiality and transparency in decision making e) No consultation with stakeholders on proposed changes</p> <p>The Local Authority Should consider that the risks and opportunity costs in this proposal out weights the financial saving</p>
Reduction in costs of the Independent Fostering Agencies	75.0	Children's	<p>The success of this proposal is dependent on two factors:</p> <ol style="list-style-type: none"> 1. Recruitment and retention of in-house foster carers – increasing capacity so that we have strength and depth in the service we can offer to children of all ages and needs 2. Identification of appropriate circumstances where it is in the children's best interest to move placement. Reputational / Legal / Outcomes for Children/ / Stakeholders / Service delivery risks . <ul style="list-style-type: none"> • Timeliness and quality of assessments and interventions to safeguard and promote children's welfare is compromised • Achievement of good outcomes for children is compromised • Inability to meet key objective and targets • Under performance against customer needs and expectations. • Decisions taken ignoring stakeholders views /interests. • Legal challenge

Reduction Out Of County Placements Costs	51.0	Children's	<p>Reputational / Legal / Outcomes for Children/ / Stakeholders / Service delivery risks</p> <ul style="list-style-type: none"> ▪ Timeliness and quality of assessments and interventions to safeguard and promote children's welfare is compromised ▪ Achievement of good outcomes for children is compromised ▪ Inability to meet key objective and targets ▪ Under performance against customer needs and expectations. ▪ Decisions taken ignoring stakeholders views /interests.
CAMHS Termination of current arrangement	38.0	Children's	<p>Reputational / Legal / Outcomes for Children/ / Stakeholders / Service delivery risks</p> <ul style="list-style-type: none"> ▪ Reputation damaged and challenge – ▪ Timeliness and quality of assessments and interventions to safeguard and promote children's welfare is compromise. ▪ Achievement of good outcomes for children is compromised ▪ Inability to meet key objective and targets ▪ Lack of effective communication and multi-agency co working leading to interventions to safeguard and promote children's welfare being compromised ▪ Under performance against customer needs and expectations. ▪ Decisions taken ignoring stakeholders views /interests. • Inefficiencies and the cost of dealing with complaints and escalation of needs to more expensive services <p>There could be a loss of goodwill between professionals in the provision of the CAMHS / LAC consultation clinic. This is a service highly valued by Social workers and Foster Carers.</p>
<p>Page 33</p> <p>Town Sector Efficiencies</p>	8.0	Children's	<p>Reputational / Social / Legal / Financial / Stakeholders / Service delivery risks</p> <ul style="list-style-type: none"> ▪ Reduced service quality. ▪ Achievement of good outcomes for children is compromised ▪ Reputation damaged and legal challenge ▪ Under performance against customer needs and expectations. ▪ No consultation with stakeholders on changes ▪ Inefficiencies and the cost of dealing with complaints.
Review of contribution by IOACC to the Youth Justice Partnership	8.0	Children's	<p>Reputational / Legal / Financial / Stakeholders / Service delivery risks</p> <ul style="list-style-type: none"> • Review yet to be undertaken and may identify that the target of 10% may not be achievable. • Reduced service quality and delivery capacity – meeting national targets may be compromised – YJS Board will need to ensure that the service is working at optimum efficiency in terms of caseloads, processes etc. • Achievement of good outcomes for children may be compromised – see above. • Reputation damaged and challenge – The partnership approach to the funding review will mitigate against poor partnership response to the need to establish a reduction in funding.
Total Children's	184.0		
Committees Section savings on paper, printing and posting hard copy minutes and agendas	25.0	Council Business	The proposal is unlikely to affect any group disproportionately
Cut in Legal Library Budget	6.0	Council Business	
Total Council Business	31.0		

Family Information Service - office relocation	1.9	Culture	The proposal is unlikely to affect any group disproportionately
Culture - reduction in general supplies and services budget lines	2.0	Culture	
Archives - Budget rationalisation	1.7	Culture	
Heritage - Museums general budget reductions	4.6	Culture	
Heritage - Community Arts Reduction in Budget	1.1	Culture	
Reduction in Grants to the Arts Allocation	10.7	Culture	
Archives - Staff Rationalisation	8.0	Culture	
Archives - Early retirement contribution ceasing	4.5	Culture	
Library Service - Reduction in staffing	15.0	Culture	
Museums - income generation - Paranormal events Beaumaris Gaol	4.8	Culture	
Llynonn - Reduction in budget lines	3.0	Culture	
Family Information Service - Reduction in Admin Hours	9.0	Culture	
Total Culture	66.3		
Reduction Operational Budget - Administration	11.0	EC&R	The proposed financial savings will not unlawfully discriminate; impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups
Reduction in Operational Budget - Business Support	1.0	EC&R	
Staffing Rationalisations	92.7	EC&R	
Amlwch leisure centre general income	32.0	EC&R	
Holyhead leisure centre general income	25.0	EC&R	
Pip's Arthur leisure centre general income	34.0	EC&R	
David Hughes leisure centre general income	4.5	EC&R	
Leisure centre corporate direct debit	4.0	EC&R	
Leisure centre vending machine sales (2 new)	6.5	EC&R	
Leisure General Operational Budget Reductions	3.0	EC&R	
Reduction in Sports Development Island Games Contribution	3.0	EC&R	
Removal of Sports Development Post	8.0	EC&R	
NERS Co-ordinator Grant Funding Contribution	6.0	EC&R	
Amlwch café Staff Rationalisation	9.3	EC&R	
Reduction in Holyhead Leisure Centre Casual Staff Budget	10.0	EC&R	
Reduction in Operational Budget - Tourism	53.0	EC&R	
Reduction in Operational Budget - Marketing	2.0	EC&R	
Reduction in Operational Budget - European Projects	13.0	EC&R	
Reduction in Operational Budget - European Unit	2.0	EC&R	
Staffing Rationalisations	74.4	Leisure	
Total Economic, Community and Regeneration	394.4		

Reduction Improve School Standards Budget	43.4	Education	If no central budget available to target maintenance, which will remove the flexibility to be able to support / improve the school, along with the implication of doing so as regards regulation. Planning and cooperation in the GwE targeted expenditure, and ensure schedule and program of action based on quality reports
A Change to the Delivery of the Outreach Service part of Youth Service provision	16.3	Education	Increase in anti-social behaviour as the Council will not have provision to move quickly into the area, where anti-social behaviour of young people is a problem No mobile provision to offer short-term service for young people living in rural areas, and a 'meeting place' that is not reliant on having use of the building. The Red Cross will continue to look for new sources to fund in its present form. Focusing the work of Alcohol Youth Worker (part of the current team) to work through schools, youth clubs and after-school clubs, and short multi-agency project work as Teen Total programme, rather than working on the outreach bus. Consultation with Families First and Careers Wales to redirect existing grant that supports this work to support young people 18-24 who are not in education, training or work, to engage and improve their chances of being employed in the future.
Free School Breakfast - to introduce a fee to non Free School Meal pupils	171.0	Education	Consultation to take place
Increase rental for Caretakers' houses	4.0	Education	The proposal is unlikely to affect any group disproportionately
Reduction in Arts Grants	2.6	Education	
Reduction Childcare Sufficiency Budget	6.0	Education	
Counselling Service - Reduction in Contribution	9.0	Education	Any cut is a cut in service to children (people hours). This could lead to workers who would be vulnerable and still individual cases are too long. Holding a case for too long could be a concern in terms of 'protection' in individual cases. As a result of individual cases, the possibility of a negative reaction, with a direct impact on vulnerable young people
10% Reduction in Contribution to SEN Joint Committee	93.0	Education	
Reduction Out of County Placements	80.0	Education	Paying for out of county placements is a statutory requirement. Specialised out of County placements are part of teaching duties and homing many of our most vulnerable young people, because of their physical, educational and/or sensory disabilities, where the expertise does not exist within the county. A percentage of the costs attached to education is attached to out of county placements of children in care, and/or that they are in safe locations through Youth Justice Service or because of specialist Mental Health placements.
Reduction in Primary Dyslexia Budget	27.2	Education	Schools failing to provide within their delegated budget. Parents appealing to a SEN tribunal, and if they win, creating a precedent. Elected Members facing pressure for additional provision for "disadvantaged" children. Mitigated by keeping a contingency.
Reduction in URDD Grant Contribution	21.0	Education	A need to continue professional support for the Mudiad by the Youth Officer over the transformation period, in order to ensure that they understand their responsibilities as regards satisfying the terms of the Trust's grants. There is a need for a timely review at the end of the Trust's Grant period (4 th year), in order to ensure the continuation of the Mudiad's work for the future.
Reduction in Young Farmers Grant Contribution	21.0	Education	Need to continue professional support for the Movement (Mudiad) by the Youth Officer over the transition period, in order to ensure that they are able to set their employment systems etc. in place for employing their new staff and ensuring they understand their responsibilities as regards satisfying the terms of the Trust grants. Need for a timely review at the end of the Trust Grant period (4 th year) in order to ensure the continuation of the Mudiad's work for the future.

Reduce contribution to William Mathias Music Service	23.6	Education	Need to secure the agreement of the board of control for saving, and since we are working in partnership with Gwynedd, will require the agreement on the percentage of cut to be made. Anticipated that it would be possible to reduce the contribution without negative effect on the level and quality of provision offered to individuals. Hold full consultation with the service manager to measure the impact of any cut, and agree actions.
Cynnal - 10% Reduction in SLA	36.0	Education	
Post 16 Transport - Exec paper passed in December 2014	50.0	Education	
Total Education	604.1		
Bus Service Amendment Retendering	60.0	Highways	The effect of the proposed savings is unlikely to affect protected groups more than any other groups of people
Reduction in Highway Lighting Budget	100.0	Highways	A deteriorating road network will affect the disabled and elderly disproportionately. However, the deterioration will be gradual.
Reduction in Highway Works Budget	414.0	Highways	
Reduction in Traffic Calming Works Budget	20.0	Highways	
Reduction in the Structures Budget	20.0	Highways	
Staff Rationalisation	150.0	Highways	
Reduction to the Safecote Budget	25.0	Highways	The effect of the proposed savings is unlikely to affect protected groups more than any other groups of people
Increase in net parking income	40.0	Highways	
Total Highways	829.0		
General Reduction to the Supplies and Services Budget Lines	2.0	Housing	The proposal is unlikely to affect any group disproportionately
Removal of the Car Allowances Budget	20.3	Housing	
Bed and Breakfast Placements	115.0	Housing	
Total Housing	137.3		
Reduction in Car Allowances	3.0	HR	The proposal is unlikely to affect any group disproportionately
Termination of Ty Will Lease		HR	
Occupational Health Contract Savings	4.0	HR	
SCDWP Training Budget Reduction	20.0	HR	
Training Budget	20.0	HR	
Total HR	47.0		
Removal of Vacant Post	54.0	ICT	The proposal is unlikely to affect any group disproportionately
Reduction in Car Allowances	3.0	ICT	
Balance of the restructuring	72.0	ICT	
Total ICT	129.0		

General Supplies and Services Reduction	3.0	Planning	The Statutory planning services have an impact on job creation and affordable housing which may have disproportionate impact on the Welsh language, young families and poorer members of society
Joint Planning Policy Unit Reduction in Contribution	25.0	Planning	
Open Spaces, Country Side and Coast General Efficiencies	2.0	Planning	
Reduction in delivery of Coed Cymru	7.0	Planning	
Reduction in Warden Hours - Seasonal and Community	5.0	Planning	
Vibrant and Viable Places Fee Income	10.0	Planning	Priority will be given to this work meaning that discretionary work will have a lower priority
Secondment of Staff Member	13.0	Planning	Discretionary work will have lower priority
Total Planning	65.0		
Small Holding review of Ring Fenced Income	36.0	Property	The proposal is unlikely to affect any group disproportionately
Cleaning Contract - Reduction in Relief Staff	25.0	Property	The proposal is unlikely to affect any group disproportionately
Reduction in Staffing to reflect architectural workload	26.0	Property	The proposal is unlikely to affect any group disproportionately
Total Property	87.0		
Modernising Supplies and Services due to two departments joining	15.0	Public Protection	The proposal is unlikely to affect any group disproportionately
Total Public Protection	15.0		
Tendering exercises	65.0	Resources	The proposal is unlikely to affect any group disproportionately
Credit Card Charges	16.0	Resources	
Total Resources	81.0		
Staffing Reductions	50.0	Transformation	The proposal is unlikely to affect any group disproportionately
Smarter Working	300.0	Transformation	
Total Transformation	350.0		
Changes to the Clinical Waste Services Delivery	67.0	Waste	Likely to have a disproportionate effect on the older people, families with young children, disabled people.
Removal of long term vacant post	38.0	Waste	The proposal is unlikely to affect any group disproportionately
Reduction in Landfill Costs Budget	75.0	Waste	The proposal is unlikely to affect any group disproportionately
Amendments to Current Working Practices at HWRC	80.0	Waste	Consultation with staff and trade unions will be required
Reduction in Bulky Waste Collection from 2 to 1 collections	60.0	Waste	Likely to have a disproportionate effect on the older people, families with young children, disabled people.
Charge Replacement Black Bin	50.0	Waste	The effect of the proposed savings is unlikely to affect protected groups any more than other groups of people
Reduction in Street Cleaning Budget	206.0	Waste	
Total Waste	576.0		
Rationalisation SLT	300.0	SLT	The proposal is unlikely to affect any group disproportionately
Total Senior Leadership Team	300.0		
Total	4,325.5		
Summary	£'000		
Lifelong Learning	670.4		
Community Services	728.3		
Sustainable Development	1,966.2		
Deputy Chief Executive / Corporate and Democratic Costs	960.6		
Total	4,325.5		

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	The Executive
Date:	16 th February, 2015
Subject:	To report on the views of the Corporate Scrutiny Committee held on the 3 rd and 10 th February, 2015 in relation to the Budget proposals for 2015/16
Portfolio Holder(s):	Cllr H.E.Jones
Head of Service:	Interim Head of Resources and Section 151 Officer
Report Author: Tel: E-mail:	Interim Head of Democratic Services
Local Members:	N/A

A –Recommendation/s and reason/s
<p>REVENUE BUDGET 2015/16</p> <p>1.0 The Executive is requested to consider the views of the Committee on 3rd February, 2015 and 10th February, 2015 in relation to: Revenue Budget 2015/16 Capital Programme 2015/16 Outcome of Public Consultation Exercise</p> <p>1.1 On the 3rd February, 2015 the Committee scrutinised the Executive’s initial draft revenue budget proposals for 2015 – 2016 as reported to the Executive on the 15th December, 2014. The Committee considered in detail the proposed efficiency savings put forward according to each service. Portfolio Members and Officers outlined proposals and responded to questioning.</p> <p>1.2 The Corporate Scrutiny Committee was advised by the Interim Head of Resources and Section 151 Officer that 9 specific additional lines of savings were now proposed which were not included in the schedule presented to the Executive on the 15th December, 2014.</p>

1.3 In relation to the draft revenue budget the Committee resolved:

- That with reference to the proposed efficiency savings within Children's Services, in relation to the costs of Looked After Children the Committee noted that in implementing this efficiency professionally and safely the overriding consideration has to be the best interests of the child.
- That the Committee is concerned by the implications of proposed efficiencies for budgets and services that are demand led (Out of County Placements in Children and Education Services and Housing Service Bed and Breakfast accommodation provision) and urges the Executive to ensure that sufficient provision is available and accessible via a corporate contingency fund to meet any unforeseen demands that may arise on those and any other needs led budgets.
- That the Committee notes that some savings proposals require further verification and work e.g. Levying a Charge for Breakfast to non FSM School pupils and that some may not be implemented e.g. Sale of Green Waste with potential implications for the Budget.
- That the Committee notes that the Budget setting process will be reviewed and that an analysis of what went well and what process could be improved for future budget rounds will be undertaken.
- That the Committee notes and commends the provision by the Education Service of an Efficiency Savings Briefing Paper as facilitating scrutiny of the proposals, and recommends that other services adopt this practice in future years.
- That the Committee recommends an increase in the Council Tax of between 4.5% and 5%

CAPITAL PROGRAMME

1.4 At its meeting on the 10th January, 2015 the Corporate Scrutiny Committee scrutinised a report by the Interim Head of Resources and Section 151 Officer incorporating a schedule of proposed Capital Bids as endorsed by the Executive meeting on the 15 December 2014 for inclusion in the 2015 / 16 to 2019 / 20 Capital Programme. The Committee resolved:

- That the Committee is of the view that Project 13 (Rewiring of Education Buildings) should be included within the schedule of capital projects put forward for approval and welcomes the offer by the Interim Head of Resources and Section 151 Officer to investigate other possible avenues of

funding to allow Project 13 to be undertaken.

- That the Committee strongly recommends that the matrix and weighting criteria for evaluating capital projects be subject to prior scrutiny as part of the budget planning process for 2016/17.
- That the Committee also recommends that Member engagement with the Capital Programme be reviewed to ensure that Members are able to have an active input at all stages of the development of the budget planning process.

PUBLIC CONSULTATION

1.5 The Committee at its meeting on the 10th February, 2015 also considered a report on the outcome of the budget consultation exercise/Meeting the Challenges: Our Initial Budget Proposals for 2015/16 was presented for the Committee's consideration.

The Committee resolved to accept the report.

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

N/A

C – Why is this a decision for the Executive?

IOACC Constitution Paragraph 4.3.2.1.2(i), 4.3.2.1.3 and 4.3.2.1.4.

CH – Is this decision consistent with policy approved by the full Council?

YES

D – Is this decision within the budget approved by the Council?

N/A

DD – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	Considered the Executive's Initial Budget proposal for Revenue 2015-16 at their 3.2.15 meeting and Capital at their 10.2.15 meeting. This formed the bases of their Scrutiny Review and this report.
8	Local Members	
9	Any external bodies / other/s	

E – Risks and any mitigation (if relevant)

1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	

F - Appendices:

Minutes of the Corporate Scrutiny Committee

- 3rd February 2015
- 10th February 2015

FF - Background papers (please contact the author of the Report for any

further information):

Executive Reports, both dated 15th December, 2014:

- Revenue budget proposal 2015-16
- Capital budget proposal 2015-16
- Response to the Public Consultation exercise on the 2015-16 Budget Proposals

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